FINANCIAL TIMES

No. 25,582 Tuesday October 19 1971 ** 6p

News Summary

ULSTER

Brutality charges probe assured

...assurance that Sir Edmund ...mpton, chairman of the ...ster internees' appeals in...iry, had full powers to in...stigate all complaints was ...ven by Downing Street last ...ght. It was made in response ...pressure for an official state...ent on allegations of brutality ...wards internees by security ...rces in Ulster.

Last night's statement followed ...meeting of senior Ministers ...d, later, one with Mr. Wilson ...d "shadow" Home Secretary ...llaghan at which both allega...ns of torture and the seizure of ...A-destined arms in Holland ...s discussed.

'Unacceptable'

Later, however, Mr. John ...me, leader of a Stormont ...position delegation which ...ought a dossier of the allega...ns to London, said the assur...ce was "totally unacceptable" ...the Compton hearings were ...ivate with no provision for full ...gal representation.

Meanwhile, in Ulster itself, a ...ldier of the 15th/19th Hussars ...s killed in a shooting accident ...ar Belfast.

...nother, of the 2nd Bttn. ...eenjackets, was "comfortable" ...ter being shot in the neck in ...ndonderry.

Dutch moves

More Scotland Yard Special ...anch men flew to Amsterdam ...join colleagues and Dutch ...lice questioning two men ...out a cargo of arms from ...ague which had been des...ed for the IRA. Police ...oughout the Continent con...ued their search for David ...Connell, said to be an IRA Pro...ionals leader, and Moira ...guire, 23, said to have been ...n with him in Holland last ...eek. Back Page

Assault on Kosygin

...young man believed to be a ...ngarian refugee broke ...rough a police cordon and ...ped at visiting Soviet Premier ...sygin in Ottawa, almost ...ocking him to the ground and ...lf tearing his jacket off. The ...n, who apparently was un...ned, was immediately taken ...o custody. The attack came ...Kosygin was strolling with ...nadian Premier Trudeau on ...rliament Hill. Neither of the ...emiers was injured.

Off to Rhodesia

...ree Foreign Office officials ...o accompanied Lord Goodman ...earlier missions to Salisbury ...going there again to-morrow ...continue the "exploratory ...ks." The visit's implications, ...ge 10

V & G progress

...hicle and General Insurance ...mpany tribunal completed its ...aring of evidence after sitting ...49 days and hearing 44 wit...sses. The Tribunal's chairman ...he saw no evidence of mis...nduct by DTI officials. Page 29

£26,000 damages

...reed damages totalling £26,425 ...re awarded in the High Court ...a Hayes, Middlesex, woman ...ose husband was killed in a ...crash in which she and her ...ee children were also injured. ...dgment was against the owners ...a lorry involved in the crash.

Turks greet Queen

...ousands lined the streets of ...kara to give the Queen an ...thusiastic welcome at the start ...her State visit. She is being ...companied by Prince Philip ...d Princess Anne.

Briefly . . .

...ional museums admission ...arges are scheduled to begin ...January 3, Lord Eccles told ...Lords.

...ed gunmen escaped with ...000 from the Wood Green, ...ndon, branch of Lloyd's Bank.

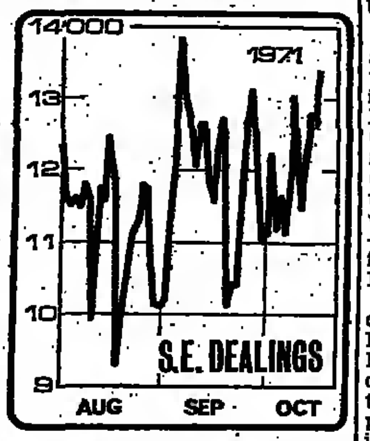
...een Ingrid of Denmark ...ered hospital in Copenhagen ...an abdominal operation.

...ymond John Day, 34, was ...led for life at the Old Bailey ...the "brutal" murder of a ...year-old girl at Eltham, Kent.

BUSINESS

Equities firmer—gilts off

● LONDON EQUITIES sagged until the news of Allied Breweries' approach to Trust Houses Forte. Leaders turned



firmer and the 30-share index ended 1.1 up at 415.7 after 413.8. Overall ratio was a rises-to-falls 9 : 5. Markings, at 13,447, were the highest for about six weeks.

● GILTS turned dull on the GLC loan news. Losses ranged to ⅜ though Treasury 5¼ per cent., 2008-12 (close to the new tap stock) dropped 1½.

● THE £ closed 2¼ points firmer at $2.4894. Gold was again $42.60.

● WALL STREET'S index ended 2.41 down at 872.44.

● IN OECD WORKING PARTY 3 in Paris last night the U.S. and its European and Japanese partners were still far apart on the sacrifices to be made to cure the American balance-of-payments malaise. Mr. Volcker (U.S.), it is understood, stuck to the demand that a $13,000m. turn-round in the U.S. current account was needed to get a $2,000m. overall U.S. payments surplus. But OECD countries questioned both the size of the figure and the basis of its calculation.

● OIL COMPANIES' representatives are discussing in New York producer countries' demands for participation in oil concessions and for higher posted prices to offset the fall in the dollar's value. The companies are likely to wish to avoid any overall rise in crude oil prices which might upset price stability guaranteed under this year's five-year pacts at Tehran and Tripoli. Back Page

£50m. loan for GLC

● GREATER LONDON Council is to make a £50m. issue by tender of 7½ per cent. stock, 1981. Minimum price is £99. Page 26

● MOTOR TRADES' TURNOVER in August, following the July mini-Budget measures, reached a record 168 on the DTI index or 29 per cent. above the level for August, 1970, double the average increase for January-July and well up on the July month's 144. For new cars alone the index rose 49 per cent. above August, 1970, to 194. Page 25

● LAZARD BROTHERS, the merchant bank, is to link with the banking arm of American Express to expand and develop the operations of both in medium-term Euro-currency loans and other business. LB/AMEX, a joint company, has been set up. Back Page

Tally clerks halt docks

● TALLY CLERKS' ONE-DAY strike—first of a threatened series in protest at 20 sackings—halted work on 46 ships in the Port of London. Only four were worked. The clerks may strike two days a week if the dispute goes on—which seems likely as 29 more are to receive notice. Page 25

● ALLIED SUPPLIERS first-half pre-tax profit is £3.68m. (£3.89m.); current trading suggests a return to profit trends before the 1970 second-half set-back. Interim is again 5 per cent. Page 26; Lex

Heath gives Tory MPs free vote in the Market debate

BY JOHN BOURNE, LOBBY EDITOR

The Government last night dramatically reversed its Parliamentary strategy for the crucial Common Market vote on October 28 by deciding after all that there should be a "free vote" among Conservative MPs.

The decision was taken and announced in time to influence this morning's important meeting of the Parliamentary Labour Party. Miinsters hope that Opposition MPs will now recommend their leaders to permit a corresponding "free vote," on their side of the House, which would ensure a decisive majority—perhaps 100 or more—in favour of British entry into the EEC.

But Mr. Heath and his colleagues calculate that even if Mr. Harold Wilson and Mr. Bob Mellish, his Chief Whip, still decide on a three-line Whip for their MPs, the number of Labour pro-Marketeers voting for entry is bound to increase substantially. Certainly last night Labour's Europeans were cock-a-hoop at the Government's decision.

To-day Labour anti-Marketeers will fight hard to defeat moves for a free vote in their party. They argue that Mr. Heath has been defeated by more cautious Ministers, and that now is the time for the Opposition to "put the skids" under the Government. But many Labour MPs were saying last night that whatever happens now in the party there is bound to be an increase in the number of their colleagues who will vote for entry.

At a special meeting of the "shadow" Cabinet last night Mrs. Barbara Castle, Mr. Fred Peart and Mr. Michael Foot all claimed that the Government was crumbling and that Labour should exploit the situation to the full by whipping its own MPs against entry. Mr. Wilson is said to have refused to commit himself at this stage, merely remarking that the whipping arrangements were a matter for Mr. Mellish.

Sudden decision

The suddenness and unexpectedness of the Government decision led the Prime Minister to issue a special statement from 10, Downing Street. This said: "On October 28 Parliament will be asked to take an historic decision.

"I have always made it plain that on this the Government would make clear its own position and, as it is entitled to do, would ask the Parliamentary Party for its support. This remains the unanimous intention of the members of the Government.

"I have also said that the position of those members of the Parliamentary Party who were not able to support the Government would be fully respected.

"In order that this should clearly be seen to be the case on this uniquely important issue I have decided that, when on October 28 the motion is put to the House, there will be a free vote of Conservative MPs.

The decision was taken at a 45-minute meeting between the Prime Minister and seven senior Ministers late yesterday afternoon. It is understood that they had first considered the matter at the Conservative Conference in Brighton last Thursday.

Mr. Francis Pym, the Chief Whip, reported the final result of his calculations of the number of Tory anti-Market MPs who say they are determined to vote against British entry into the EEC. This figure, Mr. Pym is believed to have told Mr. Heath, was about 30, and he now doubted whether the total could be brought down to the 15-20 level which some Ministers had hoped for.

Last night MPs of all parties believed that the Government had taken its decision for the following reasons:

1—Although Mr. Heath was convinced he could obtain a Parliamentary majority for entry by applying a three-line whip to Tory MPs, he realised he would have to rely for this on an indeterminate number of Labour pro-Marketeers rebelling against an Opposition whip.

2—A free vote, allowed by both the Labour and Conservative whips, would guarantee a large majority in favour of entry—90, or perhaps even more. This is because there are thought to be at least 55 Labour MPs who want to vote for entry. If Mr. Bob Mellish, Labour's Chief Whip, and Mr. Wilson decide also to

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Men in the £500m. merger approach

Lord Crowther | Sir Charles Forte | Mr. Gerald Thorley

Allied Breweries planning Trust Houses Forte bid

BY SANDY McLACHLAN

ALLIED BREWERIES, the £355m. brewing and soft drinks group, is planning a bid for Trust Houses Forte, the hotel and catering chain which is currently afflicted by a deep rift at top management level. News of the Allied approach to THF pushed the THF share price up 28p to 155p, which gives the group a market capitalisation of £127m.

Last night the Allied chairman, Mr. Gerald "Joe" Thorley, said that the reason behind the Allied approach was the complementary nature of interests between the two groups in hotels, catering activities and overseas interests. However, he admitted that the depressed THF share price—a result of the much publicised management difficulties—was a factor which had been taken into account in Allied's considerations.

Certainly Allied and its advisers, Rothschilds, face an uphill struggle in achieving an agreed bid. THF was formed a year and a-half ago as the result of a £100m. merger between Trust Houses and Forte's Holdings, but the integration has not gone smoothly. The Board is currently split roughly along the lines of the Trust Houses and Forte's factions.

In addition, the company has a Council of Trustees, which is a relic of the origin of the Trust Houses group, but still a potent force with voting control of the whole group.

According to Mr. Thorley, Allied made no attempts to pave the way to an amicable settlement before making a formal approach. Mr. Thorley visited Lord Crowther, the THF chairman, at 2.15 yesterday afternoon, and this was apparently the first indication of anything afoot that THF received.

The THF Board is currently operating under a tenuous compromise between the two factions. Sir Charles Forte is the managing director, having engineered the palace revolution which deposed Mr. Michael Pickard as chief executive following publication of the report of the Department of Trade and Industry Inspectors on the affairs of International Learning

Two giants in the leisure market Page 25
Men and Matters Page 16
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Systems and the interim report on Pergamon Press.

Criticism of Mr. Pickard in his role as a director of British Printing Corporation, contained in the report, was the occasion of, although not the real reason for, Sir Charles' move.

Mr. Pickard, however, is still on the THF Board, and Lord Crowther, of the Trust Houses faction, is chairman. There are two deputy managing directors, one drawn from each camp.

At THF there was no comment yesterday on the Allied approach, beyond the fact that it came as a complete surprise, and that there would be a meeting to-day to consider it.

It would appear that Sir Charles Forte, who has emerged at the moment as winner of the Boardroom struggle, would prefer in the interest of shareholders to keep the group independent and overcome the management difficulties internally. Sir Charles, together with trust and family holdings, is still the biggest single shareholder in THF, with around 12 per cent. of the equity. His percentage holding in a merged Allied THF would be considerably reduced, and would be comfortably exceeded by the Showering family holdings.

The position of the Council of Trustees is of crucial importance, since it has the ability, although not the inclination, to block any bid. Realising its anachronistic position, the council is believed to consider that the interests of shareholders should be paramount as far as is consistent with the trust deeds.

There is a problem, although not an insurmountable one, in that the THF memorandum of association includes the promotion of "habits of temperance" as a primary object, and the trust deeds are couched to reflect the same philosophy. This does not necessarily preclude a merger with a brewing group, but even in a recommended merger the Council of Trustees might have to require certain safeguards from Allied.

If the THF Board has difficulty in reaching a united deci-

Continued on Back Page

Coventry lay-offs follow toolroom dispute

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

COVENTRY, Oct. 18.

FOR THE SIXTH Monday more than 7,000 toolroom and associated workers here have been on strike to get the local rate-fixing toolroom agreement reinstated, and again nearly 20,000 other workers were laid off at nearly 50 factories.

The situation is likely to be repeated to-morrow. Most employers have warned strikers there will be no work for them on the day after they strike.

This is the first time they have reacted positively since giving notice last May of their intention to end the 30-year-old agreement with the engineering union that ties toolroom rates to the average for skilled production workers and which has become a yardstick for the district. The employers want to replace the "outdated and inflationary" pact by plant bargaining.

The workers instituted an overtime ban and policy of non-co-operation in June and began the series of Monday strikes after employers cancelled the agreement on September 1. They have refused to negotiate unless the agreement is continued for at least an interim period. On their part, the employers have offered a bridging increase in rates to enable plant negotiations to begin.

Again the worst-hit company to-day was Chrysler, although not now a member of the association. Nearly 8,000 were laid off here and another 1,500 at the Linwood car plant in Scotland. Automotive Products, another non-federated concern, was also badly hit, with nearly 1,000 on strike.

Jaguar Cars was directly affected for the first time and laid off 1,500 from the XJ6 and associated lines, but Triumph, another British Leyland car plant, was working normally despite having 400 on strike.

Assemblers strike

But there will be no work for the strikers at either factory to-morrow, and if this happens about 40 Triumph fitters have said they will absent themselves indefinitely. Their action could lead to supporting action throughout the city's engineering factories.

Rolls-Royce was among the other casualties, with nearly 1,200 on strike among the 7,000 labour force employed at the Coventry and nearby Ansty factories making aero engines and industrial and marine variants.

The company has taken the lead in trying to break the deadlock by telling workers that unless they accept the national agreement on October 28—which would add £4 to weekly pay packets of £42—they will be refused work until further notice. Meanwhile, it is not operating the Tuesday lock-out.

At to-night's meeting of toolroom shop stewards it was resolved that the district committee seek an urgent meeting with the employers to repeat the proposal for interim monthly increases. To-night's meeting has removed the fear of an unprecedented widening of the conflict.

Meanwhile, more than 2,600 are laid off at five British Leyland factories in the Austin-Morris division because of the pay strike by 120 assemblers on 1800-type engines at Birmingham.

For nearly a fortnight there has been no production of 1800 saloons or of MGB sports cars at Abingdon, where 720 are idle. Other factories affected are Longbridge, Birmingham (1,200), Swindon (290), Oxford (370), and Castle Bromwich (85). The assemblers are not meeting again until Thursday.

Consumer spending up $2\frac{1}{2}$%

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

CONSUMER spending has increased sharply during the last three months and the Government now believes that the underlying growth rate of the economy is already close to the 4 to 4½ per cent. envisaged by the Chancellor in the July mini-Budget.

Figures issued by the Central Statistical Office yesterday show that consumer spending rose by over 2½ per cent. during the third quarter (by comparison with the average quarterly rate for the first half of the year) and that expenditure in the first three-quarters of 1971 was 2½ per cent. higher than in the corresponding period of 1970 in real terms.

The preliminary estimate of consumer spending in July-September—which is based on incomplete data and contains an element of forecast—shows a rise of £160m., to £6,080m., from the average of January-March and April-June (1963 prices, seasonally-adjusted).

This is one of the largest quarterly increases in recent years and reflects the rapid recovery in car and consumer-durable sales following the abolition of official hire-purchase restrictions and the reductions in purchase tax announced on July 19.

An important additional factor has been the large increase in personal lending by the clearing banks, which is believed to have risen by at least £30m. in September alone.

Retail sales

During the two months August and September, retail sales averaged 1¼ per cent. more than in the second quarter, with credit sales by retailers up by 12 per cent., and new credit extended by finance houses—mainly for cars—up 30 per cent.

Although consumer spending is still running below the levels of the original April Budget forecasts, the third quarter estimate is above that forecast by the National Institute of Economic and Social Research, in the August Review, which took account of the July measures.

A revival of economic activity affects stock levels before production and so far there has been no sign of a change in the flat trend of the published production figures.

But senior Ministers are now convinced that the consumer spending figures herald a recovery which may even mean that the growth rate rises temporarily above the 4 to 4½ per cent. range envisaged in July.

Given this assumption, the Government will probably be reluctant to bow to pressure for further reflation; but it is generally assumed that it will be some time before the unemployment figures improve.

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Home loans so far this year near 1970 total

By Harold Bolter, Industrial Correspondent

BRITAIN'S building societies lent more than £257m. to home buyers last month, taking advances for the first nine months of this year close to the level for the whole of last year.

Between January and September members of the Building Societies Association advanced a total of £1,958m., only £28m. less than in the full 12 months of 1970, which was itself a record year.

The decision to reduce mortgage interest rates by ½ per cent. to 8 per cent. for new borrowers from November 1 and for existing borrowers early next year can be expected to lead to a further increase in mortgage loans.

The latest statistics from the Association show that members advanced £257.8m. in September, compared with £260.5m. in August, a record month.

The societies received £408.2m. from investors, including £20m. interest credited to investors' accounts, compared with £337.2m. in August.

Withdrawals last month amounted to £216.3m., some £13.5m. more than in August, leaving net receipts of £191.9m., about £57.5m. more than a month earlier.

During last month existing borrowers paid off £109.8m. from existing mortgages, £3.9m. more than in August, and this became available for re-lending.

At the end of September the societies were committed to lending a record £764.2m. to home buyers.

FLOATING £

	£= Oct. 18	% change since Aug. 13	% change on par value
U.S. $	2.48¹¹⁄₁₆	+2.9	+3.7
Can. $	2.50	+2.1	−3.6
Dutch fl.	8.35¾	−0.2	−3.8
†Belg. frs.	†116.55	−2.9	−2.9
D-Mark	8.27	+8.9	−5.9
It. lire	1,524½	+1.5	+1.6
†French frs.	13.80¼	+1.5	+1.4
Jap. yen	821	[illegible]	[illegible]
Swiss frs.	9.84½	+0.7	+0.9

Reuter revaluation index of U.S. $ [illegible] per cent.
† Convertible. ‡ Commercial.
* Based on value at May 10, 1970.

THE £ ABROAD

	Oct. 18	Previous
New York (Spot)	$2.4895-4898	$2.4882-4891
Do. (1 month)	[illegible]	[illegible]
Do. (3 months)	[illegible]	[illegible]
Do. (12 months)	[illegible]	[illegible]

†Buyer ‡Seller

ON OTHER PAGES

CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated)

RISES

...lance Property	124½	+ 8½
...glo Continental	60½	+ 4½
...xters (Butchers)	97½	+ 12½
...ve Holdings	625	+ 10
...lgety	177*	+ 11
...lton Barton	450	+ 17
...ll	164	+ 4
...er Ready (GB)	230	+ 18
Freemans (London)	203	+ 7
Gallenkamp (A.)	147	+ 10
Ladbroke	325	+ 13½
Lawdon	69	+ 6½
Manganese Bronze	28½	+ 6
Mather and Platt	74	+ 9
Nova Jersey	245	+ 15
RCF Holdings	81	+ 7
Simon Engineering	149	+ 12
Spreckley (Chas.)	75	+ 8
Staffs. Potteries	192	+ 9
Swan Hunter	43½	+ 6
Tanker Inv. Tst.	55	+ 4
Trust Houses Forte	155	+ 28
Venesta	89½	+ 7
York Trailer	144	+ 7
Shell Transport	365	+ 5
Barymin	47	+ 4½
Hartebeest.	150	+ 5
Pancontinental	48	+ 13
Tara Exploration	635	+ 10

FALLS

Assoc. Biscuits	348	− 10
Fothergill & Harvey	75	− 10
Marks & Spencer	287	− 10
Minet Holdings	313	− 12
Prudential Assce.	171	− 6
Regional Props.	335	− 10
United Biscuits	206	− 10
Poseidon	720	− 10
Rand Selection	460	− 10
Vaal Reefs	370†	− 14½
Winkelhaak	128	− 5

* Ex dividend. † Ex rights.

U.K. DAILY STOCK INDICES

FINANCIAL TIMES

	Oct. 18	Oct. 15	Yr. ago
Govt. Secs.	79.27	79.62	71.35
Fixed Interest	78.81	79.37	73.06
Industrial Ord.	415.7	414.6	365.9
Gold Mines	44.8	45.1	52.7
Ord. Div. Yield	3.76	3.77	4.61
Earnings Yield	5.79	5.80	6.40
P/E Ratio	17.26	17.24	15.63
Dealings Marked	13,447	12,772	9,829

For latest share index phone (01) 246 8021

F.T.-ACTUARIES	Oct. 18	Oct. 15	Yr. ago
Industrial Group	170.71	171.13	—
500 Share	184.65	185.22	147.68
Div. yield pc	3.59	3.58	4.40
P/E Ratio	18.24	18.26	14.96
All Share	181.96	182.42	140.60
Consols yield pc	0.57	8.49	9.16

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Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

Building societies · Small firms · Unemployment

Sir,—In his letter (October 15) Mr. Willis, Director of Shelter, suggests that the recent plentiful supply of funds to building societies has been largely taken up by "bigger borrowers in prestige areas." Figures for 1971 are not yet available to disprove this but 1970 was also a good year and then more than one-quarter of all home-loans were made to people earning less than £28 a week while only 10 per cent. went to those earning £60 a week or more. There is nothing to suggest that a similar pattern will not emerge in 1971; indeed, the good supply of money has itself led to a general liberalisation of lending policy.

A true picture of building society service to the home-buyer emerges from the total number of loans made and, as the following figures show, these have been increasing steadily—

	No.
First half 1969	225,000
Second half 1969 ...	235,000
First half 1970	244,000
Second half 1970 ...	296,000
First half 1971	298,000

While doing all they can for the lower-paid borrower, building societies must also support the upper end of the market, otherwise chains of purchases break down. Even so, only one home-loan in twenty is currently in excess of £6,500.

N. E. Griggs.
Secretary-General,
The Building Societies Association,
14, Park Street, Mayfair, W.1.

Marketing effectiveness

Sir,—I support Mr. K. E. Mann (October 15) in his views about the measuring of marketing effectiveness.

It must surely be accepted that the main management tools of any effective manager are organisation, planning and control.

Although marketing managers have generally been slow in the application of formalised planning, and equally slow in the exercise of the techniques of modern management controls, there should be no doubt at all that marketing effectiveness can be measured by quantifying its progress towards the achieving of defined objectives so that where necessary appropriate action can be taken to correct and improve performance.

Such measurement extends beyond the simple comparisons of sales and expenses against assigned quotas and budgets, and must reach searchingly into such areas as gross profits, by product group, product development, customer service, order backlogs, pricing policies and other sectors of the marketing function.

A constant monitoring of the whole spectrum of marketing operations must be carried on not only to produce a comparative analysis against short-term objectives, but also to direct the business profitably towards longer term goals.

R. C. Russell.
18, Victoria Avenue, Menston, Yorkshire

Tax cuts and rates

Sir,—David Watt's article on the Conservative Party Conference (October 15) rightly pointed out that many middle-class Conservative supporters were pleased with the tax cuts made already by the Chancellor. However, I found few delegates at Brighton who realised the full implications of what is happening. Direct personal taxation has been reduced, but the cost of maintaining community services remains, and a tendency is emerging for this to be financed more in future by local authorities than by the central Government. The White Paper, "Fair Deal for Housing," contains proposals to introduce a number of mandatory contributions from the general rate fund to the housing revenue account and this makes substantial increases in rates inevitable. It will be interesting to see how electors react when this new trend becomes more widely understood.

J. R. L. Cunningham.
(Alderman),
36, Regent Street, Cambridge.

Small firms' efficiency

Sir,—I wonder if others of your readers were offended by the rather condescending tone of Mr. C. P. Morton's letter (October 14) about small firms. He writes that we do not have the sophistication to seek advice, are unlikely to be prepared to pay for it, need lengthy training for our staff and suffer from a total lack of information. We have to be humble enough to admit outsiders know more than we do and yet we will not take steps to seek such advice.

I wonder if we really are such slouches. The small businesses of Britain produce 27 per cent. of the country's industrial output and continue to survive in spite of direct political and financial discrimination aimed at their destruction and in spite of many other needless obstacles (such as the large firms who refuse to pay their bills at the proper time). I notice many among the large firms who have fallen on evil times in the past few years that either have or must have employed consultants, yet they still failed. Why, I wonder, if as Mr. Morton says, large firms have little difficulty in using the brains of outsiders.

I must say that my experience of using consultants to try to solve problems has been quite unsuccessful. Three times we have tried, on three entirely different subjects and each time we had a dead loss at the end of the assignment. Not in a single case did they provide the answer to our question (as they asserted they would be able to do at the start) and in one case we ended by doing the job ourselves. Small firms in general are more efficient than the large ones and it is time we started answering back to undo the damage that unsupported and ill-informed criticism is doing to us. We are the enterprise end of private enterprise and deserve encouragement. And Mr. Morton should remember that the efficiency of the "small firms" in Britain is 130 per cent. compared to "all" firms in terms of output per unit of capital.

P. Siviter Smith,
Managing Director,
V. Siviter Smith and Co.
Siviter House, Moseley Street, Birmingham.

A ban on overtime

Sir,—I am unclear if Mr. Dyke (October 14) recommends an increase of overtime to stimulate the economy. If that is the case, I strongly oppose the suggestion.

If companies banned all overtime—excepting dire emergencies—an extra 200-250,000 could be gainfully employed, judging by the last figures published on overtime worked. The additional spending power put into circulation would "prime the pump" more effectively than any other measure. If it were clearly understood that no relaxation would be considered until the unemployment rate had dropped below 2 per cent., additional funds would be freed which are currently being saved. These savings are extremely high, particularly as 1m. are unable to save. They can only be attributed to the widespread uncertainty prevailing. My suggestion would ease the position considerably and has the advantage of remaining financially neutral and actually reducing costs.

This move would have to be a national one, or those affected will feel discriminated against, hence a joint lead from the CBI and TUC is required.

C. P. Morton.
142, Arkwrights, Harlow, Essex.

Anti-smoking advertising

Sir,—Here we go again. Fire and brimstone, death and damnation to cigarette smokers. Last time it was the Chest and Heart Association.

Now Sir George Godber's on the band wagon, although he may perhaps be excused because his comments are included in a general report on health. But the effect will doubtless be the same—to create a new generation of psychotic smokers.

Of course heavy cigarette smoking can lead to lots of nasty complaints—if some sort of fall-out, a new "tested" drug going berserk after release or even World War III doesn't get the blade in first.

These days people have been subjected to mass persuasion on a grand scale and for so long (soap powder, petrol and sixpence off) that the embarrassingly amateurish anti-smoking advertising creates derisive laughter rather than serious consideration.

Whoever promoted a washing machine by listing the drawbacks of the kitchen sink? And don't the "authorities" know that to impress upon cigarette smokers that they are taking a risk is playing into their hands? Everyone gets satisfaction from taking some sort of risk—especially in a society where pretty well any sort of risk has been eliminated a long time ago. Even the chance of getting cancer adds some excitement to an otherwise boring life.

One day, with some luck, one of the self-appointed experts (and their utterances carry increasingly less weight in the light of recent events) will realise that what is needed is a campaign aimed solely at the advantages of not smoking. Solely. And get a professional to run it.

Then we might see some results for the first time. We certainly won't see any by presenting the public with 48-sheet posters of diseased lungs at every street corner.

Mike West.
5, Botolph Lane, Cambridge.

Structural technological and other unemployment

Sir,—Mr. Rogaly (October 8) attempted to show that much unemployment should not be called unemployment and that the real problem is much smaller than many of us believe. One of Mr. Rogaly's principal arguments was that a considerable amount of the present unemployment is structural or technological. The nature of modern industry, it is claimed, means that many categories of workers are almost unemployable. And of course it is an argument with a long lineage. It may be it was first fully aired during the slump after the Napoleonic Wars, when, for example, David Ricardo vacillated over the potential effects of modern machines on the employment of labourers.

As for Brian Griffiths (October 13), his letter concentrates entirely on the characteristics of the unemployed rather than the problem itself, and in his eagerness to congratulate Mr. Rogaly he falls into a series of unbecoming errors of omission. He first mentions the unemployables, those who cannot really find work at any time. Now can he, Mr. Rogaly, or anyone else tell me why there should be so many more unemployables in 1971 than there were in 1965 when unemployment was low? There is little, if any, evidence to show that there has been any significant change in the type of people living in our society over that time, and if the physical and mental characteristics of the British people have not changed unduly is there not reason to believe their argument is based on fantasy and/or prejudice?

Secondly, Mr. Griffiths mentions voluntary unemployment. Of course it is true that frictional unemployment accounts for a large element of those out of work at any one time, but equally with rapid fluctuations in the value of real wages it becomes more socially efficient for a worker to indulge in search costs while being unemployed. This problem is of fundamental importance to economists, for if there are declines in real wages in some areas, industries and occupations, the worker looking for a job will not be sure that the wage offered by the first few potential employers he contacts is as good as he is likely to get elsewhere. After a while the highest offered wage tends to rise, but so too does the cost of searching for a job with a higher wage. At some time the worker will realise, in some subjective way, that the marginal search cost involved in continuing to look for work is equal to the marginal expected wage differential between the best available offer and the wage of any as yet unfound job. At that point he will take employment.

This is in fact a very complex problem, but Brian Griffiths, a noted monetary economist, has only highlighted one dimension of the problem. His point is valid but only in so far as it goes, because high voluntary unemployment, besides being caused by unemployment benefits *et al*, is also a positive function of an inefficient information network—because a worker and an employer take their time to find the best possible offer, search unemployment is excessive. However, there is absolutely no reason to believe that a worker should take more time off in a highly inflationary situation when the value of present income increases relative to the value of an income, perhaps slightly higher in money terms, in a few weeks' or months' time.

Mr. Griffiths' third category is the spatially unemployed, those who cannot or will not move geographically to find a job. Again the emphasis is often unfair and is that somehow it is the workers' fault. The problem of labour immobility has been with us since time immemorial and it is a problem which can be posed in the following way. Why should individuals who have settled down among their family and friends suddenly become itinerant workers? Why should they have to move simply because the nature of the industrial and governmental structure fluctuates erratically and often merely as a result of a whim of the Government of the day? It is, to use Brian Griffiths' words, intellectually dishonest to say that these people are not "a crucial fact in assessing the present statistics."

It is a myth that the present problem is one of structural unemployment for it is widespread throughout the country and throughout all forms of occupations and practically all industries. The industry least hit by rising unemployment since 1966 has been insurance and even there unemployment has increased by nearly 200 per cent. Furthermore the highest unemployment is in the construction industry. Is that an endemically declining industry? Do we have no need for new houses and modernised houses? Unemployment is chronically high among the young: Do we not need young workers? Are they "a social welfare problem"? Do we need a new definition for them? I usually thoroughly enjoy Mr. Rogaly's articles, especially his ones concentrating on his favourite discipline, social psychology, and I hope I will continue to enjoy them, but his recent article playing down the problem of current unemployment was sadly amiss.

Guy Standing.
University of Sussex, Falmer, Sussex.

Proportions of old and young

Sir,—May I point out the error in Sir T. S. Bazley's assertion (October 15) that the most serious fact which must flow from zero population growth is more old people and fewer young ones? It is, of course, only the proportion of old people which rises, not the absolute number. A modern society should be able to adapt to a temporary increase in the proportion of old people, while the burdens associated with caring for an increasing number of old people would lessen.

The very high proportion of young people in countries with rapidly expanding populations (where in some cases half of the population is under 21) itself poses great social problems.

W. R. Eyres.
119, North Hill, Highgate, London, N.6.

Money supply and prices

Sir,—I don't think that Mr. Stead (October 14) and I will ever agree unless we both argue from the same premise. Mine is that debasement of the currency through increasing the money supply is the sole cause of inflation. In short that while inflation of the money supply always causes prices to rise (and *subsequently* wages), not all increases in prices and wages are caused by monetary inflation.

Mr. Stead chooses to call all price increases "inflationary" whatever their cause and consequently bedevils the whole discussion. It may all look inflationary to Mr. Stead, but I assure him it is not, if we are not to do violence to the English language. To inflate is to blow up, increase, expand, etc. Where there is no blowing up but only a redistribution of money there can be no inflation.

Indeed the argument we are having has been proved by Keynes, the U.S. New Deal, etc., because the policy emanating from these sources was expansion of the money supply which has been responsible for almost all our present monetary troubles.

To suggest, as Mr. Stead does, that a stable currency ("shortage") would cut down production is not borne out by events. After the German Mark collapsed production still continued, with cigarettes and other goods acting as medium of exchange until a stable currency was once again instituted. Even this hopelessly inadequate form of money did not stop production and certainly production did not wait for the printing press. People don't suffer through want of paper—only goods.

The basic fallacy in this whole argument is the erroneous assumption that spending precedes production, whereas production precedes spending since you cannot buy or exchange what has not been produced.

V. H. Blundell.
74, Alexandra Park Road, Muswell Hill, N.10.

Licensing hours

Sir,—How long must we listen to the awesome forebodings which await us, if and when the licensing hours are altered (Your report of October 13, page 17.)

To my tiny mind, the answer seems simple. Change "permitted hours" to "recommended hours" with the option to deviate entirely in the hands and at the discretion of the licensee or manager whenever the circumstances justify it.

A gentle pat on the head should be given to the National Association of Licensed Victuallers, the Errol committee and all concerned and send them home.

Everyone will then be happy including the police who will no longer have to waste time looking for people with a tablespoonful of booze 15 minutes after closing time.

E. G. Payne.
21, Arlington Avenue, Leamington Spa.

TV Radio

LATEST WILLS

	Net
Mr. W. E. Evans, of Wightwick, Wolverhampton, former managing director of the John Shaw group, left £195,330 gross (duty £31,377)	£161,376
Mr. J. D. Connell, of Ealing, former general manager of Wembley Stadium, left £51,719 gross (duty £11,842) ...	£43,694

* Indicates programme in black and white.

BBC 1

*9.38 a.m. For Schools, Colleges. *12.55 p.m. Dechrau Canu, Dechrau Canmol: Songs of Praise. 1.30 Joe. 1.45 News. *2.00 For Schools, Colleges. *3.45 Nurses in Training. 4.15 Play School. 4.40 Jackanory. 4.55 Animal Magic. 5.20 Harlem Globetrotters. 5.44 Magic Roundabout.

5.50 News.
*6.00 Nationwide and Your Region To-night.
6.45 Quiz Ball.
7.05 Z Cars.
*7.30 Film for To-night: "A Jolly Bad Fellow," starring Leo McKern, Janet Munro with Maxine Audley and Dennis Price.
9.00 Nine O'clock News.
9.20 Expulsion: problem of drugs in a sixth-form college in Berkshire.
10.20 Drugs in Schools.
10.45 24 Hours.
*11.20 Viewpoint.
11.37 Medicine To-day: Hypothyroidism.

All Regions as BBC 1 except at the following times:—

Wales—*5.20-5.44 p.m. Telewele. *6.00-6.45 Wales To-day. *6.45-7.05 Heddiw.

Scotland—*3.00-3.20 p.m. For Schools. *6.00-6.45 Reporting Scotland. *12.02 a.m. Scottish News Headlines.

Northern Ireland—*6.00-6.45 p.m. Scene Around Six. *12.02 a.m. Northern Ireland News Headlines.

England—*6.00-6.45 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham): Look East (from Norwich): Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth). 12.02 a.m. Regional News Headlines.

BBC 2

11.00 a.m. Play School.
*1.15 p.m. Medicine To-day: Hypothyroidism.
*6.35 Square Two.
*7.05 Open University: Science.
7.30 News.
8.00 Floodlit Rugby League: BBC 2 Trophy: First Round, Salford v Rochdale.
8.50 Wheelbase: London Motor Show.
9.20 "Billy Liar," starring Tom Courtenay with Julie Christie.
10.55 News on 2.
11.00 The Old Grey Whistle Test.

LONDON

10.20 a.m. and 1.45 p.m. Schools. 2.33 Racing from Sandown Park. 3.15 Interval. 3.40 Anita in Jumbleland. 3.55 Yoga for Health. 4.25 Tea Break. 4.55 Junior Show-time. 5.20 Magpie.

5.50 News from ITN.
6.00 To-day.
6.30 Crossroads.
6.55 Keep It In The Family.
7.25 The Tuesday Film: "Hell Below Zero," starring Alan Ladd, Joan Tetzel and Stanley Baker.
9.00 Armchair Theatre.
10.00 News at Ten.
10.30 The Lords.
11.40 Drive-in, from the London Motor Show.
12.10 a.m. Aspects of Faith: Hugh Kay asks Archbishop Anthony Bloom why he feels doubt is not an obstacle to faith.

All ITV Regions as London except at the following times:—

ANGLIA

ATV MIDLANDS

BORDER

CHANNEL

GRAMPIAN

GRANADA

*3.50 p.m. All About Riding. 4.15 News followed by Peyton Place. 4.50 Yak.

HTV

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

RADIO 1 247m

RADIO 2 1,500m; VHF

RADIO 3 194m, 464m; VHF

RADIO 4 330m; VHF

F.T. CROSSWORD PUZZLE NO. 1,696

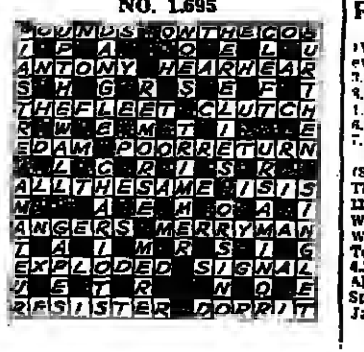
ACROSS

1 Edge the ringlet with poison (7)
5 Hindering easy reception and use of fruit (7)
9 Point round the four to reveal the piece of turf (5)
10 Bares arms in order to disconcert (9)
11 Smallest port repaired earliest of all, we hear (5, 4)
12 Meantime I am out to bury (5)
13 Nothing grim about this smell (5)
15 To soothe a policeman? (4, 5)
18 You stated that it could have endured longer (9)
19 Cutting, but not in the flat? (5)
21 The Roman there follows Albert—or was that his excuse? (5)
25 For ease of movement on racehorses? (2, 7)
25 Changed the egg-shaped old penny beyond the public house (9)
26 Grumble to advance money (5)
27 Device of which pilots should be aware? (3, 4)
28 Turned in perch round the gallery (7)

DOWN

1 Concealed a pound with the green light from the nobleman (7)
2 Rearrange a boxing match quite freely? (4, 5)
3 Foursomes this month, and from France (5)
4 Hold off to store by the seaside? (4, 2, 3)
5 Boom at the editor who scoffed (5)
6 Spoil the metal and the scholars come to the feast (9)
7 Unsuitable in a small point (5)
8 Tea initially and then cigars could cause such an upset (7)
14 Retire unsatisfactorily as five hesitate with the dog (9)
16 Further clause for fine weighing? (3, 1, 5)
17 Go after the cloak during the day. He might suffer instead (9)
18 Instrument made from a first-class acorn (7)
20 The nuisance went in front and pounded (7)
22 Close to the centre of the meal without money (5)
23 Pontoon is not on—but is successful when different (2, 3)
24 Next to the meal in the dark? (5)

SOLUTION TO PUZZLE NO. 1,695



Racing

More for Murless

by DARE WIGAN

NOEL MURLESS saddles three horses at Sandown this afternoon, and the chances are that one or more of them will be successful. For example, so easily did *Cupid's Delight* win a maiden race run over the Sefton Course at the Newmarket First October meeting that it will be surprising if she fails to cope with moderate opponents in the Leatherhead Plate (3.40).

This big filly by *St. Paddy* looked as though she had plenty of scope for improvement, and is a confident selection.

Calshot Light, a half-brother by *Exbury* to *Welsh Pageant*, carries 9 st 11 lb in the Rookery Handicap (4.15). He ran well when going under by only a short head at level weights to *Richboy* in a match at the Doncaster St. Leger meeting, since when *Richboy* has carried 9 st into fourth place in the Irish Sweeps Cambridgeshire Handicap. However, *Calshot Light* is a colt who likes to make the running, and that is not easy to accomplish successfully at Sandown, especially when the ground is soft. He may find it beyond him to concede 29 lb successfully to *Sealion*, who, though evidently not worth the $80,000 paid for him at the Saratoga Yearling Sales in 1969, has shown a measure of ability.

There will be a scramble for the Heather Maiden Plate (2.0) for two-year-olds, and unless the betting market gives a clear lead as it did in the corresponding event 12 months ago when the Epsom-trained *Ma-Shema* started favourite at 2-1 and won easily, the race is probably best left alone.

Murless is represented by *Attica Meli*, a filly by *Primera* out of *Come on Honey*, a mare by *Never Say Die* who is bred to stay long distances, and I would sooner take a chance with *Brave Flight*, a colt by *Derring-Do*, who ran well when fourth behind *Relkalim* at York.

I had thought that *French Story* might have been a good thing with bottom weight in the Wey Nursery Handicap (3.5), but she does not run. In her absence, it may be best to rely on *Dolly's Mate*, who was bought in for 1,400 gns. after winning a valuable selling plate at Goodwood in August, and who, to judge by some of the prices paid at the Houghton Yearling Sales at Newmarket last week, is probably well worth the money.

March Bell will go well in the Mitre Stakes (2.30).

George Todd's Lambton stable has had little luck this season, but I am hoping that *Bradfield* will win the Coombe Handicap (4.45).

This ten-year-old gelding has only once failed to win at least one race in the past six seasons and will be seeking his 12th success this afternoon.

Selections:
2.00—Brave Flight
2.30—March Bell
3.05—Dolly's Mate
3.40—Cupid's Delight***
4.15—Sealion*
4.45—Bradfield**

Events

To-day

PARLIAMENTARY BUSINESS:
House of Commons: Consideration of Lords amendments to the Immigration Bill (continues to-morrow).
COMPANY MEETINGS:
CAPITAL AND NATIONAL TRUST, Bucklersbury House, E.C., 12.15. (Chairman, Sir Hugh Mackay-Tallack.)
CEYLON AMALGAMATED TEA ESTATES, 13, Rood Lane, E.C., 12. (Chairman, Mr. W. R. T. Picton-Warlow.)
HEYWOOD WILLIAMS, Park Lane Hotel, W., 12.30. (Chairman, Mr. S. R. Scholes.)
HINDSON AND ANDREW REID, Newcastle upon Tyne, 12.30.

ART GALLERIES

Elizabeth Hall

Radu Lupu

by GILLIAN WIDDICOMBE

Subscription concerts usually seem to me more confusing than convenient. The habit may well come in with the Common Market, since it works very well in Vienna and Berlin; but the feeble response to the Festival Hall's voucher system suggests that it has already failed in London.

Still, the first thing to be said in favour of the new subscription series of 14 recitals launched by two London agents (and co-operation between agents is as rare as the mating of pandas) is that all the pianists chosen represent an excellent standard. The plums of the younger generation, with only two older colleagues; rather like the old days at Wigmore Hall with the duds knocked out. Within this framework there is a wide variety of musical style: in repertory, from Haydn and Beethoven to Bartok and Stockhausen, but featuring the standard masterpieces rather than obscure extremes; in performers, from Browning to Brendel, Ashkenazy to Kontarsky. Also in favour is a free record if you go to a complete series. But there the muddle begins, since the series is divided into two sets of seven, and spreads from October to June, on odd dates. Besides, I'd have gone to Radu Lupu's recital on Sunday afternoon without bargains and benefits.

I wish I'd heard Lupu when he won the Leeds competition in 1969. Those who did have started to say that his recent playing has become something of a caricature of what it was then. Hearing him twice in Beethoven concertos, I thought the comment decidedly unfair; but Sunday's recital had an air of excess which surprised me. He played two big Schubert sonatas and the exaggeration was particularly noticeable in the first, the A minor, Op 42. The opening phrase, for example, was given a huge expressive gasp before its pivotal note; and every phrase was strongly contrasted. The effect was a hot-house performance; very fine, and stimulating; and exhausting to listen to. Every ten bars or so I felt dazed by the richness of expressive detail, of mood, of coloration. Lupu, I diverted myself by deciding, would be the ideal pianist to convince an unmusical audience of the different coloration inherent in different keys—just by playing the National Anthem.

Describing it this way should not seem derogatory. With at least a thousand pianists let loose every year in Britain alone, it is obvious that a young one like Lupu (who is 26 or thereabouts) must inflate and sustain his musical personality; and Schubert is open to more variety than most pianists recognise. And yet the A minor felt uncomfortable, particularly after its last movement had several passages of near mess.

The second sonata was the big B flat, and this seemed less contrived. Here there were also extraordinary touches of artful playing—the repeat of the exposition saying something totally different as opposed to something nearly related; the slow movement widely graded from the theme firm to the left hand embellishments almost inaudible. But the overall temperature seemed more freely balanced, the phrasing more content to flow.

Greenwich Theatre

Antigone

by GARRY O'CONNOR

This production of the Sophocles' *Antigone* seeks a gymnastic simplicity; a stark hexagonal platform tails off in bare walls at the back; pale gymn-slips adorn the limbs of the chorus, rendering ordinary forms buttocky and lumpen; skimpy plastic leggings here and there add a martial touch; Creon lopes about in grey serge "bell-bottoms," authority clinging to him in the shape of hideous bronze shoulder guards.

Leo Aylen, who has adapted the play, as well as directing it, strives also to restore the—according to him—"neglected" musical and dance elements. These he and his composer/choreographer, Annette Battam, see very much in the modern idiom. An electric organ pumps out subversive melodies; the chorus wriggle about in war-games, belligerently thrusting spears, enacting the Polyneices-Eteocles' conflict which Sophocles had, in the first place, transformed into thrilling dramatic poetry. Worse than this, the Chorus' words, reduced to instant pop music "pulp," are sung unintelligibly in unison. Concentration on the drama in these conditions is difficult.

The principals hardly fare any better; the first scene, in which Sophocles pitches us straight into the fevered temperature of Antigone's rebellion, is tremendously promising. Freda Dowie, who plays Antigone, and Susan Glanville as her sister Ismene, create a stirring basis for the story to begin; create also the doomed unlucky sense of family ties in Oedipus' family; a passionate bond, which Miss Dowie underlines by kissing Ismene fully on the mouth. Anticipation is strongly whetted, and a glimpse is given in both performances, that the play might reach its full stature in emotion as well as tragic dignity.

But the rest never achieves this quality. However hard Miss Dowie tries with Antigone (she plays both Teiresias and the final messenger, an unusual combination which throws an interesting light on the play) her efforts founder on the soft "rock" shuffle of the chorus, or drown in the vocalising. Freddy Jones, as Creon, doesn't drown; he remains permanently at sea. I am one of Mr. Jones' most ardent admirers, and some of his eccentric English Colonel mannerisms, did, even here, amuse me; but mostly his owlish circumspection and sudden famished barks of authority are right out of place. There is scope for such an approach, but it needs to be carefully worked into a much deeper reading and understanding of the play.

Arts news in brief . . .

Artists invited by the British Council to show recent work in the British Pavilion at the 36th Venice Biennale next summer are sculptor William Tucker (born 1935) and painter John Walker (born 1939). They were chosen by a committee under the chairmanship of Sir Norman Reid.

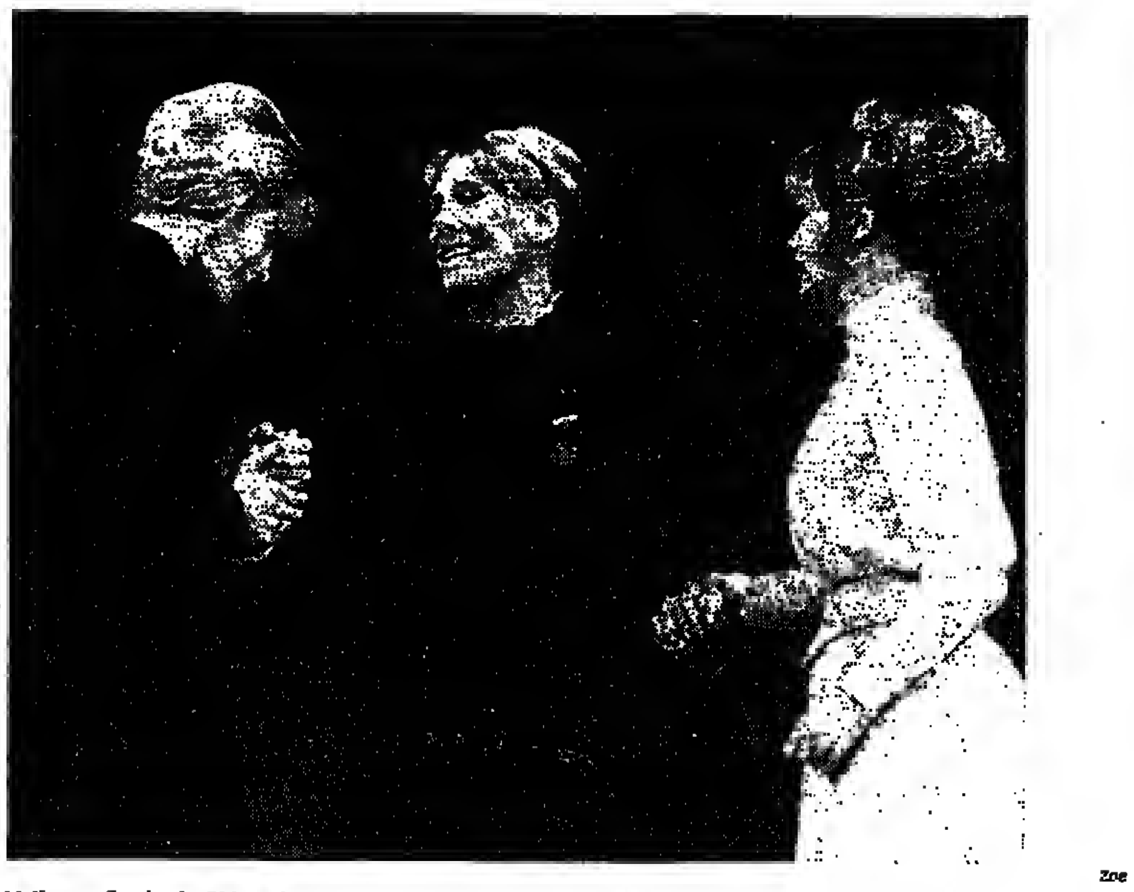
★

The most important retrospective exhibition so far held of the work of Edward Burra, representing the earlier part of his career, up to 1950, is being held at the Lefevre Gallery until October 30. It consists of 30 watercolours and drawings, almost all produced between 1925 and 1950, though there are two early drawings dated 1923, when Burra was 18. The Tate Gallery will hold a full-scale retrospective exhibition in 1973 or 1974.

★

The Board of Trinity College of Music have announced that Yehudi Menuhin has accepted an invitation to become president of the college in succession to the late Sir John Barbirolli.

The centenary of the college will be celebrated in 1972 with special functions including a concert at the Albert Hall, a service at Westminster Abbey and a dinner at Grosvenor House.



Virginia McKenna, Stephanie Bidmead and Patricia Brake in "The Three Sisters" which opened last night in Cambridge

Zoe Dominic

Marlborough Fine Art

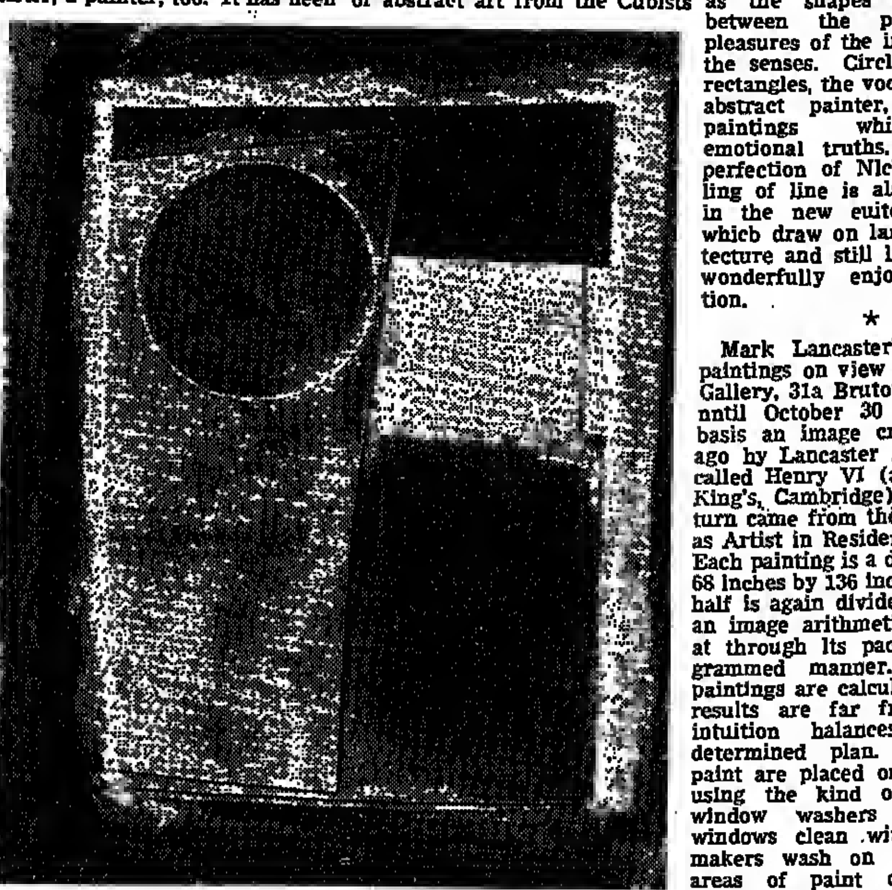
Moderns

by MARINA VAIZEY

Ben Nicholson is now living in the English countryside, in a place "so quiet you can almost hear it"—streams and swans, and peaceful beauty—but he has brought back with him from his large studio in Switzerland 38 painted reliefs from the past three years which form, at the Marlborough Fine Art, 6, Albemarle Street, until October 30, an exhibition both grand and simple.

Nicholson was born in 1894, his father the painter Sir William Nicholson, who formed with James Pryde the Beggarstaff brothers, his mother, Pryde's sister, a painter, too. It has been suggested that Nicholson's profound feelings for still life were assimilated at an early age, not only because his father was a painter of exquisitely beautiful still lifes, but through the objects that his father collected—jugs, mugs, goblets, many of which Nicholson still has. His other great preoccupation has been landscape and architecture, and except for a solid period in the 30s, when the Nicholsons lived in Hampstead and were actively involved in the formation of various groups of artists involved in the abstract revolutions of the day, Nicholson has mainly lived in the country—Italy, Cumberland, Cornwall, Switzerland.

There can be little doubt, that, in so far as labels mean an indication of the esteem and affection in which his work is held, he is our greatest painter on an international scale, and that he, with Moore, Hepworth, Gabo and others, through their work, their colleagues, their ideas, formed the currents of art in this country that if we have cared for art at all have been crucial to our visual consciousness. Just how formidably gifted, genuinely original and individual an artist Nicholson is was certainly fully revealed in the Tate's retrospective of 1969, as well as his extraordinary ability to assimilate and then sublimate for his own use the most sophisticated tendencies of abstract art from the Cubists to Mondrian and the Constructivists. At intervals during the past decade the Marlborough has been keeping us up to date with aspects of his art. It is probably totally superfluous to write a word more about Ben Nicholson; if only his conversation and letters could be collected, he has surely said as much, and gracefully, that need be said.



Ben Nicholson: Eagles nest (1970)

What is so fascinating about Nicholson's work is how in its apparent simplicity there is always so much to be *seen*. The collection on exhibition at the moment contains some very large paintings, some quite small; in all, a lifetime of experience has insured that the scale is perfectly judged. The paintings are in relief—shapes carved and cut from Pavatex, a kind of hardboard; put together, painted in muted, but sometimes very strong colours, deep greens for instance, in a deliberately sketchy and spontaneous manner which allows for the exploitation of chance and accident. The names—mainly of places, but sometimes descriptive of the shapes used—are added later, to the finished work, and remind us of the wide storehouse of visual memory of landscape that Nicholson draws on. Each offers, through a combination of texture, colour and shape an indescribably rich visual experience, quiet and serene; balanced, as the shapes are balanced, between the poles of the pleasures of the intellect and of the senses. Circles and angled rectangles, the vocabulary of the abstract painter, form relief paintings which convey emotional truths. The aching perfection of Nicholson's handling of line is also exemplified in the new suite of etchings which draw on landscape, architecture and still life. This is a wonderfully enjoyable exhibition.

★

Mark Lancaster's four large paintings on view at the Rowan Gallery, 31a Bruton Place, again until October 30 use as their basis an image created a year ago by Lancaster in a painting called Henry VI (as founder of King's, Cambridge) which in its turn came from the artist's time as Artist in Residence at King's. Each painting is a double canvas, 68 inches by 136 inches, and each half is again divided by putting an image arithmetically arrived at through its paces in a programmed manner. Thus the paintings are calculated, but the results are far from cool, as intuition balances the predetermined plan. Sweeps of paint are placed on the canvas, using the kind of implement window washers wipe their windows clean with, or printmakers wash on colour. The areas of paint covering are determined by the use of masking tape, and the areas covered by the masking tape have been exploited in different ways in each of the four paintings. The colours are muted; ranges of soft browns in one painting, of greens in another. Evocative of nothing but themselves, Lancaster's paintings by their structured nature have an appealing toughness that is absent from much of the sloppy, flabby work masquerading as "modern" nowadays. He is a young painter whose development is proceeding along exciting channels, cerebral yet sensual, and these paintings are accessible and beautiful, neither didactic nor remote.

★

Sandra Blow, whose latest exhibition and her first full-scale show for several years is at the New Art Centre, 41 Sloane Street, until November 6 paints exuberant abstract paintings concerned with colour delineated by several broad sweeps of radiant tones extending in a curve almost from top to bottom of her canvas, against a background of less differentiated tones. She sometimes used sand behind her paint to add a pleasant variation to the normally smooth surface. Greens, violets, lilacs and biting reds have a part to play, and her use of colour is delightful. These pretty paintings readily communicate zestful enthusiasm and a curious kind of restful euphoria.

★

At Gimpel Fils, 50 South Molton Street, until Saturday next, paintings by the Irish artist Louis le Brocquy further refine his preoccupation with the human presence. Once smears of paint against an immediate white shaded background conveyed ghostly presences of absent friends. Now, just a face, often open-mouthed, and a disembodied hand, stand for a human being, and patches of brilliant red or blue stand out against the prevailing silvery tones. These evocations of human beings, distilled, are elegantly done, but they are curiously and deeply moving too.

New York Theatre

Not-so-super star!

by GEORGE OPPENHEIMER

First it was an album that sold in vast quantities. Then it was a touring concert version. Now it is a Broadway play with an advance that they claim is around a million dollars. Its name, as you may have guessed, is *Jesus Christ Superstar*, the eagerly awaited rock opera with lyrics by Tim Rice and music by Andrew Lloyd Webber, both Englishmen. It opened at the Mark Hellinger Theatre with sidewalk spectators, pickets from various religious organisations, police and an opening night audience of celebrities and non-entities who hoped they would be taken for celebrities.

It has been conceived for the stage and directed by Tom O'Horgan, who has kept his reputation for tastelessness untarnished with this latest effort. Granted that the first act has its moments of excitement and theatricality, but it then goes on to what I can best describe as a combination of *Chu Chin Chow*, the *Folies Bergere* and an expensive and gaudy Christmas pantomime.

Having previously read the libretto and heard the music, I hoped for far more than this. Mr. Rice has an extremely original and interesting concept which places Judas in the forefront of the action. He betrays Christ, still loving Him, but fearing that He will bring disaster to Israel by His growing fame and His unconventional actions. The pieces of silver that Judas receives for this betrayal are incidental to his firm conviction that Christ is harmful to his fellow Jews.

Mr. O'Horgan has once again put his imprint on the show to such an extent that it almost conceals the original. Even if his name were not on the programme, his staging would be recognisable by its trumpery and garishness. Christ in the Garden of Gethsemane pauses to pray and a huge star-studded cabinet is lowered from the ceiling for no apparent reason. Herod is a flaming homosexual with clogs on his shoes and an attendant chorus that lapses into a hot jazz number. Judas, extremely well played by a black actor, Ben Vereen, is plagued by the demons of his conscience clad in costumes that make them look like purple earthworms. Christ, at one point, is elevated high above the ground in an enormous golden dress that enfolds him and fills the entire stage.

As for the music, it seemed to me good but repetitious. Numbers tended to sound like reprises. Some of the critics, more trained in musical appreciation than I, found the score undistinguished and derivative.

Mr. O'Horgan, you may remember, took over the direction of *Hair* when it moved to Broadway from downtown. In my opinion and despite its great success, he did violence to what had been a fresh and lively entertainment, originally directed by Gerald Freedman. With *Lenny*, another critical and popular success, he found in the controversial and foul-mouthed nightclub entertainer, Lenny Bruce, a perfect subject.

Christ is played by young Jeff Fenholt, who looks and sings well, but comes off as a rather anaemic facsimile. There are, however, good performances by Yvonne Elliman as Mary Magdalene (who seems on the verge of seducing Jesus), of Bob Bingham and Phil Jethro as the two high priests, Caiaphas and Annas, and by Barry Dennen, especially praiseworthy as the confused Pilate.

I could find no blatant irreverence in the show. Christ is treated in a modern idiom (relevance at all costs) and the concluding line, "Forgive them, they don't know what they're doing," does not seem an improvement on the New Testament.

I could not help comparing this overblown spectacle to the simple and greatly moving *Godspell*—another rock opera, playing off-Broadway with a cast of singularly attractive young people, with better music, better taste and infinitely less pretentiousness. This is the musical adaptation of the Gospel According to Matthew and, although it is done in clown-face and rock, it is reverent where *Jesus Christ Superstar* is garish and is filled with exultation instead of scenery. All in all, I would say that this latest version is the gospel according to Tom O'Horgan.

Birmingham Rep.

First Impressions

Birmingham has got a fine building in its new Repertory Theatre. It is very handsome from the outside, with its many-windowed frontage overlooking the wide green lawn that runs down to Broad Street. Inside, it is lavishly provided with leisure amenities—three bars, no less, a coffee shop and a restaurant, generous cloakrooms. The main auditorium gives a wistful reminder of the old Rep where Sir Barry Jackson ruled, with the forty-degree slope of its single broad, curved tier of seats that almost needs the help of a sherpa to negotiate.

It is far roomier, though, holding 901 instead of the 450 odd of the old house. As for the stage, it is about the size of Covent Garden's. When the curtain goes up on *First Impressions*, the first scene, set on a mobile truck, is a sitting-room big enough to hold Mr. and Mrs. Bennet and all their five daughters quite cosily; this truck is just about the size of the stage in the old house. Besides this splendid auditorium, the building also includes a small studio theatre.

First Impressions is a musical derived by Abe Burrows from a stage version made by Helen Jerome of *Pride and Prejudice*, though there really is not much left of the original but the names of the characters and the immortal affirmation that a single man in possession of a good fortune must be in want of a wife. Since *Pride and Prejudice* is one of the best stories ever written, it stands to reason that anything even remotely extracted from it must contain a fair ration of amusement, and the amatory diversions of Mrs. Bennet and her daughters Elizabeth, Jane and Lydia in pursuit of those well-endowed single men Bingley, Darcy and (ultimately) Wickham provide material enough to furnish a pleasantly relaxing evening, with a little extra comedy thrown in from Mr. Collins (who seems to have sloughed off his ecclesiastical status) and Lady Catherine de Bourgh, who, as played by Madeleine Christie in a vast turban, looks like the Red Queen from *Alice*.

As happens all too often, the music is the weak point. I get the impression that the lyrics were written before the tunes, which is basically the wrong way round except for teams more experienced than Robert Goldman, Glenn Paxton and George Weiss. These lyrics sound as if they were meant to be romantic verse, the thin spirit of a 20th-century Herrick, and the tunes do little more than provide notes for them to be hitched to. There are, moreover, too many songs; they spring up in unnecessary places with nothing to say, no more, at any rate, than "Let's Fetch the Carriage."

Musicals always start off too long, and this is no exception. If I were Peter Dews, the director, I'd run the first two acts together, cutting out some of Virginia Mason's pallid dance routines, and have the only interval at the downbeat moment which currently ends Act 2.

Still, I don't want to be curmudgeonly about a generally pretty evening. After all, no time spent in the company of Patricia Routledge, who plays Mrs. Bennet, or Cheryl Kennedy, who plays Elizabeth, or Francis ("Paul Temple") Matthews, who plays Darcy, could be said to be wasted. The whole company sing and play very acceptably, and there is a series of charming sentimental sets by Finlay James.

B. A. YOUNG

Francis Matthews

ENTERTAINMENT GUIDE

OPERA AND BALLET

COVENT GARDEN. ROYAL OPERA. Wed. & Mon. next at 7 AIDA. Sat. & Tues. next at 7.30 **FIDELIO** Dvorakova, Harwood, Pribyl, Dobson, McIntyre, Robinson, Wicks. Cond: Davis. Seats available for Fidelio (240 1066)

COVENT GARDEN. ROYAL BALLET. Tonight at 7.30 **ANASTASIA** with Collier, Parkinson. Thur. & Fri. 7.30 DANCES AT A GATHERING, RITE OF SPRING. Sat. at 2.15 LA FILLE MAL GARDEE. Seats available from 70p tonight and Sat. matinee (240 1066).

COLISEUM Sadler's Wells OPERA. Tonight & Fri. at 7.30 **CAVALLERIA RUSTICANA AND PAGLIACCI** "I urge you not to miss these unusual and stimulating productions." Tomorrow & Sat. at 6.30 **LOHENGRIN** "Visually & dramatically splendid." Thur. & Tues. next at 7.30 **IOLANTHE** Box Office Tel: 836 3161

SADLER'S WELLS THEATRE, Rosebery Avenue 837 1672. This week: **HANDEL OPERA SOCIETY** Tonight, Thur. & Sat. 7.30 OTTONE. Wed. & Fri. at 7.30 SUSANNA. Oct. 25-30 EL SALI Flamenco Co.

THEATRES

WHEN DIALLING THE BOX OFFICE FROM OUTSIDE THE LONDON AREA DIAL PREFIX 01

ADELPHI. 836 7611. Evenings 7.30. Mats. Thurs. at 3.0. Sats at 4.0. THE MUSICAL OF A LIFETIME **SHOW BOAT** With the immortal songs of KERN AND HAMMERSTEIN

ROYAL SHAKESPEARE CO. ALDWYCH. 836 6404. Joyce's **EXILES** (Tonight, tomorrow & Thur. 7.30, Oct. 22, 26, 30 m&e): Etherege's THE MAN OF MODE (Fri. 7.30, Sat. 2.30 & 7.30, Nov. 4, 5): A MIDSUMMER NIGHT'S DREAM (Nov. 7.30, Oct. 28, 27 m&e—all seats sold): Pinter's OLD TIMES (Nov. 6 m&e): Gorky's ENEMIES (Nov. 8, 9—last perfs.).

THE PLACE, Dukes Rd., Euston. 387 0031. Tonight 7.30—Robert Montgomery's **SUBJECT TO FITS** All tickets 90p (plus 10p non-members RSC and Place Clubs).

AMBASSADORS. 836 1171. Evs. 8. Mat. Tues. 2.45. Sat. 5, 8. Agatha Christie's **THE MOUSETRAP** NINETEENTH BREATHTAKING YEAR.

APOLLO. 437 2663. Evenings 8.0. Fri. and Sat. 5.30 and 8.30. "IF WE SEE A BETTER PLAY THIS YEAR WE'LL BE LUCKY." Observer. **FORGET-ME-NOT LANE** by PETER NICHOLS

CAMBRIDGE. 836 6056. Evenings 8.0. Sats. 6.0 and 8.40. Mats. Thur. 3.0. RALPH RICHARDSON, JILL BENNETT. **WEST OF SUEZ** by JOHN OSBORNE

COMEDY. 930 2578. 8.15. Sat. 6.0 and 8.40. Mats. Wed. 2.30 reduced prices 125p to £1. Charles Tingwell, Gay Singleton, Richard Coleman in 6th GREAT YEAR of Terence Frisby's **THERE'S A GIRL IN MY SOUP** LONGEST RUNNING COMEDY HIT OF ALL TIME

CRITERION. 930 3216. Monday to Fri. at 8. Sats. 5.15 and 8.30 **ALAN BATES in BUTLEY** by Simon Gray. Dir. by Harold Pinter "A BRILLIANT PLAY—ONE OF THE DELIGHTS OF THE YEAR." E. Standard

DRURY LANE. 836 8108. Evs. 7.30. Mats. Wed and Sat. 2.30. "A SUMPTUOUS MUSICAL." Daily Tel. **THE GREAT WALTZ** A MUSICAL ROMANCE on the life of JOHANN STRAUSS "HUGELY ENJOYABLE." Sunday Times.

DUCHESS. 836 8243. Evenings 8.30. Friday and Saturday at 6.15 and 8.30. **"The Dirtiest Show in Town"** "Makes 'OH! CALCUTTA!' SEEM LIKE 'LITTLE WOMEN' and IT'S FUNNIER THAN BOTH." N.Y. Times.

DUKE OF YORK'S. 836 5122. Evs. 8. Sats. 5 and 8.30. Until Oct. 30. **MICHEAL MAC LIAMMOIR** in TALKING ABOUT YEATS "A bravura performance . . . rush to the Duke of York's." The Times.

FORTUNE. 836 2238. Evenings at 8.0. Sats. 5.30, 8.30. Mat. Thurs. 2.45. GERALD HARPER in FRANCIS DURBRIDGE'S Thriller Triumph **SUDDENLY AT HOME** "FIRST RATE PLAY WITH INGENIOUS MURDER PLOT." D. Tel.

GARRICK. 836 4601. Evs. 8. Sat. 5.45 & 8.30. Mats. (reduced prices) Wed. 2.45 **BRIAN RIX ALFRED MARKS** "In pursuit of bedworthy birds." S. Mir. "DON'T JUST LIE THERE, SAY SOMETHING" "SIDE SPLITTING SMASH HIT." S&C.

GLOBE. 437 1592. Evenings only 7.30. **ALAN BADEL as KEAN** A comedy by Jean Paul Sartre. Hilarious comedy . . . acting sensation. Sk.

THEATRES

HAYMARKET. 930 9832. Evenings 8.0. Mats. Wed. 2.30. Sats. 5.0 and 8.15. ALEC GUINNESS, JEREMY BRETT in **A Voyage Round My Father** by JOHN MORTIMER

HER MAJESTY'S. 930 6606. Tonight 7.0. Subs. 7.30. Wed. & Sat. 2.30. HOWARD KEEL & DANIELLE DARRIEUX in a New Musical **AMBASSADOR**

LYRIC. 437 3686. 8.0. Sat. 5.30. 8.30. Mats. Wed. 3.0 reduced prices. ROBERT MORLEY, MARY MILLER and JAN HOLDEN in **HOW THE OTHER HALF LOVES** The new comedy by Alan Ayckbourn author of "Relatively Speaking." "VERY, VERY FUNNY." Standard. NOW IN ITS SECOND YEAR.

MAYFAIR. 629 3036. 8.15. Sat. 6.15, 8.50. GEORGE COLE in the best COMEDY OF THE YEAR. Evg. St. Award **THE PHILANTHROPIST** by Christopher Hampton. BEST PLAY OF THE YEAR. Plays and Players Award.

MERMAID. 248 7656. Rest. 248 2835. 8.0. Mat. Th. and Sat. 3.0. Last 2 weeks. **OTHELLO**

THE NATIONAL THEATRE NEW THEATRE. 836 3878. Evgs. 7.30. Mat. Thur. & Sat. 3. Until Mon. next. **AMPHITRYON 38** "Christopher Plummer—an actor of massive presence." "Geraldine McEwan—the zenith of her career." Oct. 26 to Nov. 2: DANTON'S DEATH "A triumph for Christopher Plummer."

OLD VIC. 928 7616. Evgs. 7.30. Mat. Thur. & Sat. 2.15. Tomorrow til Oct. 25: **THE MERCHANT OF VENICE** Oct. 26 to Nov. 2: THE CAPTAIN OF KOPENICK. "Paul Scofield—a tremendous comic performance." Red. price Mat. Thurs. Seats available, book now.

PALACE. 437 6834. Mon. to Thur. 8.30. Fri. and Sat. 6.30 and 8.30. 2nd YEAR. **DANNY LA RUE** AT THE PALACE WITH ROY HUDD

PALLADIUM. 437 7373. Twice Nightly at 6.15 and 8.45. Mat. Sat. 2.40 **THE CLIFF RICHARD SHOW** with Hank MARVIN, Bruce WELCH and John FARRAR. Special Guest Star DORA BRYAN. Nov. 1 for 2 weeks VAL DOONICAN. Nov. 15 for 4 weeks DES O'CONNOR. Dec. 21 CINDERELLA. Now Booking.

PHOENIX. 836 8611. Mon. to Thurs. 8.0. Fri. and Sat. 5.15 (25p-£1.40) and 8.30. 4th Year of London's Longest running MUSICAL **CANTERBURY TALES** "A GREAT NIGHT OUT." Daily Mirror. 1500th PERF. OCT. 29

PICCADILLY. 437 4506. Last 2 wks. Evgs. 7.45. Mat. Wed. and Sat. 2.30. JUDY PARFITT, MARGARET TYZACK **VIVAT! VIVAT REGINA!** by Robert Bolt. With MARK DIGNAM.

PRINCE OF WALES. 930 8681. Evgs. 8.0. Fri. and Sat. 6.10 and 8.45. Return of **ERIC SYKES JIMMY EDWARDS** BIG BAD MOUSE "I NEVER STOPPED LAUGHING." E.N.

QUEEN'S. 734 1166. Evenings 8.0. Sat. 5.30, 8.30. Mats. Thur. 3.0. **KENNETH MORE** in GETTING ON by ALAN BENNETT "MR. MORE gives the performance of his life."—Financial Times.

ROUNDHOUSE. 267 2564. Evgs. 8. Until Oct. 30. Le Theatre du Soleil. **1789** SENSATIONAL FT. RAINSTORMING EN

ROYAL COURT. 730 1745. Evenings 7.30. Sat. 8.0. HARRY ANDREWS in EDWARD BOND'S **LEAR**

ROYALTY. 405 8004. Mon., Tues., Thurs., Fr. 8. Wed. Sat. 6.15, 9. Adults only. SECOND FANTASTIC YEAR **OH! CALCUTTA!** "AMAZING AND AMUSING." O. Exp. "THE NUDITY IS STUNNING." D. Tel. "BREATHTAKINGLY BEAUTIFUL." S.T.

SAVOY. 836 8888. 8.0. Sats. 5.0 and 8.0. Wed. 2.30. 5th Year. Jeremy HAWK, Muriel PAVLOW in W. D. HOME'S Greatest-ever Comedy Success **THE SECRETARY BIRD**

SHAFTESBURY THEATRE. (836 6596.) Mon. to Thur. 8.0. Fri., Sat. 5.30, 8.40. 4TH BEAUTIFUL YEAR **"HAIR"** Few good seats available Tonight.

SHAW (388 1394). Avis Bunnage, Joseph O'Conor in Peter Terson's new play **SLIP ROAD WEDDING** Evenings 7.30. Sat. 8.0. Mat. Wed. 2.30.

ST. MARTIN'S. 836 1443. Evs. 8.0. Sat. 6, 8.30. Mat. Wed. 2.45 (red. prices). MARIUS GORING, JOHN FRASER in **SLEUTH** Now in its Second Thrilling Year. "Best for years." E. News.

STRAND. 836 2660. 8.0. St. 5.45, 8.30. (Mats. Thurs. 3.0. Reduced prices.) MICHAEL CRAWFORD LINDA THORSON and EVELYN LAYE in **"No Sex Please. We're British"** "HYSTERICALLY FUNNY." S. Times.

THEATRES

TALK OF THE TOWN. 734 5051. Fully Air Con. 8.15. Dng. & Dncg. 9.30 Revue TONIGHT'S THE NIGHT and at 11 p.m. **VINCE HILL**

VAUDEVILLE. 836 9988. Evgs. 8. Mat. Tues. 2.45. Sat. 5 and 8. MOIRA LISTER, TONY BRITTON, LANA MORRIS, TERENCE ALEXANDER and CICELY COURTNEIDGE **MOVE OVER MRS. MARKHAM** "LAUGHTER HIT of the year. I never stopped laughing." People.

VICTORIA PALACE. 834 1317. Nightly at 6.15 and 8.45. £100,000 Spectacular Production of THE BLACK AND WHITE MINSTREL SHOW **MAGIC OF THE MINSTRELS**

WHITEHALL. 930 6692-7765. London Theatre of Adult Entertainment. Mon. Tu. Thurs. Fri. 8.30. Wd. 6.15, 8.45. St. 7.30 & 10. London's Controversial Sex Comedy **PYJAMA TOPS** THIRD FANTASTIC YEAR.

WYNDHAM'S. 836 3028. Mon. to Fri. 7.45. Sat. 5 and 8.15. Mat. Thur. 2.45. COLIN REDGRAVE, CIARAN MADDEN **ABELARD & HELOISE** "Ronald Millar's very fine play." Sunday Times. "A vivid mindstretching experience." Daily Telegraph.

YOUNG VIC (by Old Vic). 928 7616. Tonight 8.0. OEDIPUS. 40p.

CINEMAS

ABC 1 & ABC 2 Shaftesbury Avenue 836 8861. THE GO-BETWEEN (AA). Bookable ABC 1 2.00, 5.00, 8.00. ABC 2 2.30, 5.30, 8.30.

ASTORIA. Charing Cross Road (580 9562). THE GREAT BATTLE (A) 70mm. Sep. progs. 2.30, 8.0. Bkble. LAST 2 DAYS.

CARLTON. 930 3711. WILLARD (X). Progs. 1.15, 3.0, 5.30, 8.5. (WILLARD starts at 1.20, 3.50, 6.25, 9.0.) Late Shows Fri. and Sat. 11.15 p.m.

COLUMBIA (734 5414). Monty Python's "AND NOW FOR SOMETHING COMPLETELY DIFFERENT" (AA). Col. Cont. progs. 1.30, 3.10, 5.40, 8.10.

CURZON. Curzon Street. 499 3737. Bernardo Bertolucci's THE CONFORMIST (X). 2.0, 4.15, 6.30, 8.45.

DOMINION. Tottenham Court Road. (580 9562.) Oliver! (U). Sep. progs. 2.30, 8.0. Bkble. Now booking Fiddler on the Roof (U). Opens Dec. 10.

EMPIRE. Leic. Square. (437 1234.) David Lean's RYAN'S DAUGHTER (AA) at 2.25 & 7.25. Late Sat. 11.30. Bookable.

LEICESTER SQUARE THEATRE. (930 5252.) Mike Nichols, Jack Nicholson, Candice Bergen, Arthur Garfunkel, Ann-Margret and Jules Feiffer. CARNAL KNOWLEDGE (X). Colour. Cont. progs. 11.45 a.m., 1.35 p.m., 3.55 p.m., 6.10 p.m., 8.30 p.m. Suns. 3.55 p.m., 6.10 p.m., 8.30 p.m. Late show Fri. and Sat. 11.15. Royal Circle seats may be booked in advance.

ODEON, Haymarket. (930 2738-2771.) THE MUSIC LOVERS (X). Richard Chamberlain, Glenda Jackson. Sep. progs. Bookable. 2.00, 5.15, 8.25. Sun. 4.30, 8.00. Late show Sat. 11.45.

ODEON, Leicester Square (930 6111). Walt Disney Productions Presents BEDKNOBS AND BROOMSTICKS (U). A New Magical Musical starring Angela Lansbury, David Tomlinson. Sep. progs. Mon. to Fri. 2.30, 8.00. Sat. 2.00, 5.00, 8.15. Sun. 4.00, 8.00. Bookable.

ODEON, Marble Arch (723 2011). BLIND TERROR (X). 1.30, 4.45, 8.15. Bkble.

ODEON, St. Martin's Lane. (836 0691.) Milos Forman's Brilliant Comedy TAKING OFF (X). Screenings each day at 2.0, 4.15, 6.30, 8.50. Plus Sat. 11.15. Weekday progs. 2.0, 3.40, 5.55, 8.15. Suns. progs 3.40, 5.55, 8.15.

PARAMOUNT. Regent Street. 839 6494. LOVE STORY (AA). Progs. 2.10, 4.20, 6.30, 8.40. Last Weeks.

PLAZA. Regent Street. 930 8944. THE DESERTER (AA). Progs. 2.45, 4.40, 6.45, 8.50.

PRINCE CHARLES. Leic. Sq. 437 8181. Ingmar Bergman's THE TOUCH (X). Sep. perfs. 2.30, 6.15, 9.0. Bookable.

RIALTO. 437 3488. WALKABOUT (AA). Jenny Agutter, Lucien John, David Gumpilil. Progs. 1.35, 3.45, 6.05, 8.20.

RITZ. Leic. Sq. 437 1234. Joe Cocker, MAD DOGS & ENGLISHMEN (A). 2.0, 4.10, 6.35, 8.40. Last 2 days.

STUDIO ONE. Oxford Circus. 437 3300. Susan George, Honor Blackman, Ian Bannen, FRIGHT (X). Progs. 1.30, 3.40, 6.0, 8.20.

WARNER RENDEZVOUS. Leic. Sq. 439 0791. THE DEVILS (X). SEPARATE PERFORMANCES. Wkdys 1.30, 3.50, 6.10, 8.40. Late Show Fri and Sat. 11 p.m. Suns 3.30, 5.50, 8.20. NO ONE WILL BE ADMITTED AFTER THE FILM STARTS. Normal Prices (£1 10p seats bookable).

WARNER WEST END. Leic. Sq. 439 0791. Jane Fonda, Donald Sutherland in KLUTE (X). Pgs. 1.25, 3.40, 6.05, 8.25. Late Shows Friday and Saturdays 11 p.m.

CLUBS

EVE. A la Dinner or a la carte from 8. Lavish Floorshows in 2 parts 10.30 and 1.0. 01-734 0557. 189, Regent St., W.1.

MURRAY'S CABARET. Dine from 8.0. World renowned Floorshows 10.15 and 1.15. Ger. 4623. Beak Street, W.1.

NEW GARGOYLE. Wine Dine and Dance from 10 p.m. until 3.30 a.m. Cabaret 1.0. 69-70, Dean St., W.1. Res. 437 3275. Shrdlu shrdlu shrdlu shrdlu

EXHIBITIONS

KENSINGTON Antiques Fair, Town Hall. Until Oct. 23. 11 a.m.-8 p.m. ex. Sun.

Farming and Raw Materials

Own dairy plan for school milk

By Our Commodities Staff

A LONDON borough is considering a plan to set up its own dairy, with about 200 head of cattle, to provide free school milk. The plan has been put forward by the leader of Brent North Young Socialists, 29-year-old councillor Terry Williams, who said he hoped to have a report from the council in two or three weeks.

A 203-acre site at Fryent Way, Kingsbury, at present farmed by tenants served last March with a year's notice to quit, was suggested as the site for the dairy.

The cost of setting up the dairy and running it has been put at £64,009 by the Young Socialists, but they hope that 30-40 per cent. of the money would be covered by Government subsidies.

Alderman Philip Hartley, leader of the council, said: "It's certainly worth investigation as it could not only provide milk for Brent schoolchildren, but would have a lot of educational value for pupils."

Bank produces dairy farming training film

By John Chittock, Industrial Film Correspondent

ANOTHER agricultural training film Cow Care was released yesterday by the Midland Bank. This follows a series on agricultural subjects which, over the years, has played an important part in gaining Midland's increasing share of farming business, it is claimed.

The latest film provides a basic introduction to the many facets of modern dairy farming and, as such, fills something of a gap, since others on the subject tend to deal with specific aspects of milk production. It is probably the best in this series, with a livelier interest in its subject despite a few stilted moments. Claiming that milk yield in modern dairy farms has doubled and man-hours halved, the film is much concerned with the economics of milk production.

Copies, in 16 mm colour, are available on loan through the Midland Bank Public Relations Department, Poultry, London, EC2P 2BX.

Zinc moves to new highs

BY JOHN EDWARDS

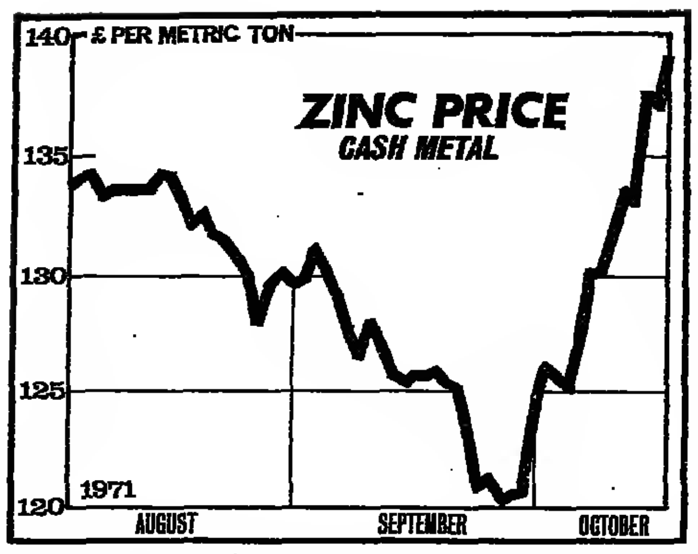
ZINC prices on the London Metal Exchange rose to new highs for the year yesterday, following another substantial drop in the stocks held in LME warehouses. The cash price climbed by another £1.875 to £139.125 a metric ton compared with £120.125 only three weeks ago.

The latest decline of 1,825 tons in LME zinc stocks to a total of 22,775 tons brings the reduction in holdings over the past five weeks to 8,375 tons. All but 50 tons of the total stocks are held in Rotterdam—the cheapest warehouse in which to deliver stocks, but one of the most expensive to take out shipments.

No one is quite certain where the recent upsurge in demand has come from, but it is suspected that some of the buying support at least may have come from producers, worried by the huge discount that LME prices were offering below the official producer quotation of £150 a ton.

Shortage grows

At around £121 a ton LME zinc, even at a lower quality grade, became extremely attractive to buyers compared with the producer price. However, at £139 and over it is far less appealing bearing in mind the extra costs



In the background is a developing shortage, especially of higher quality grades, in the U.S. where zinc stocks have plummeted.

The number of closures of zinc smelters in the U.S. during the past 18 months or so has been considerable because of prices failing to keep up with escalating costs and it is being widely forecast that once demand picks up properly an acute shortage could develop.

The same situation, to a lesser extent, applies in Europe, too. Although some Continental suppliers are reported to be still discounting the official producer price of £150, rumours are floating round of moves by the producers to increase the price again to £170.

At the time of the last increase in June from £127.95 to £150 a ton, the producers made it clear that even the higher price failed to cover their greatly increased costs. But it is difficult to see consumers putting up with another price rise at present with consumption still far from buoyant.

A major factor in the LME price rise, apart from a change in sentiment, has been reported delays in the arrivals of shipments of North Korean zinc to the warehouses. If the stocks decline is reversed by large new deliveries it is difficult to see prices moving much closer to the Producer quotation level in the short term.

A fall in 2,225 in copper stocks, down to a total of 125,625 tons, was much in line with expectations and had little impact on a quiet market.

The steady tone in zinc and copper prices kept lead values firm too despite a further rise of 1,725 tons in lead stocks to a total of 46,275 tons. A rise of 265 tons in tin stocks to 5,284 tons was also offset by the belief that the buffer stock of the International Tin Agreement would support the market any time it threatened to drop below £1,400 a ton.

LME Silver holdings fell by 80,000 to 5,880,000 ounces. Silver prices in London, following the trend in New York, continued to recover from the lows plumbed last week.

Cocoa sinks to new 1971 low

By Godfrey Brown

COCOA prices sunk to new lows on the London terminal market yesterday, the March futures contract closing last night at £197.25 a ton, £3 down on the day, with other delivery months closing as much as £4.50 lower.

Once again the market was undermined by sales of cocoa from origin—in this case it was either actual, apparent, or expectations of sales being made by Nigeria. But at least the decline was not as hectic as in the recent past, and it could be that the pace is slowing down despite offtake which was described as "patchy" and a lack of enthusiasm by factory buyers.

It seems that prices have fallen too far and too fast for even the biggest buyers, who have taken in too much cocoa too soon, and are now holding off the market until they can see a climax of selling being reached.

Meanwhile the market has still been deprived of the Ghana main-crop purchase figures for the first week of the new season. Traders consider it likely these will not reach the market until Thursday now. This is believed to represent an attempt to avoid over-declarations which have bedevilled past comparisons.

However, there are reports that a change in the system of recording purchases is likely and this will make it very difficult to analyse the figures in future.

Uganda coffee marketing probe planned

KAMPALA, Oct. 18.

A SUB-COMMITTEE of the Ugandan Cabinet has been appointed to look into the marketing of coffee here, President Idi Amin announced in Bugisu, one of the main coffee-growing areas in Eastern Uganda.

In future, growers will be paid cash for their crop, instead of being given receipts which are honoured by the Government some considerable time later, General Amin said.

New prices to growers for the 1971-72 season will be announced "very shortly," he added.

Reuter

IMPORT LEVY ON BARLEY

A prospective rate of levy on barley imports of £5 a ton for November shipments was announced by the Ministry of Agriculture last night. It also announced a levy of £1.25 a ton on grain sorghum imports for November shipment and a £3 a ton levy on cereal groats and meals on December shipments.

AGRICULTURAL CO-OPERATION

Legal changes needed to realise full potential

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

FARMERS are traditionally weak traders and nowhere is this more aptly illustrated than by J. K. Galbraith in "American Capitalism." The farmer, he says, is in a situation in both the markets in which he sells and those in which he buys, where his market power is intrinsically nil, while those from whom he buys and to whom he sells have market power. It's this basic fact of life which is at the bottom of most Government measures in almost every country in the world including our own, to protect farmers.

Methods by which farmers can be strengthened have been through various systems of market organisation, by co-operatives, marketing Boards and State-run commissions. In fact every type of shelter from the hard winds of market fluctuations is operating with various degrees of success throughout the world. Success in this context can be a highly subjective term: a successful co-operative might be achieving its ends by exploiting the consumer, for instance.

Capital source

There is nothing particularly ethical about co-operative trading although in some countries, particularly Denmark, co-operation is as much a religion as a way of trading. But in Britain up till now, agricultural co-operation has not been particularly successful compared with many other countries.

There are, I think, good reasons for this. Britain has always been a terminal market, and prices have never been as bad here as they have been in many overseas countries. Farmers in fact have never been under the pressures, and they are extremely strong, to make them give up their instinct to deal and exploit the market themselves, in order to merge with their neighbours. Agricultural co-operation in fact seems to be best founded on despair.

Nevertheless, Governments and farmers in Britain give co-operation more than lip service. There have been various measures and subsidies to assist the formation of societies, but somehow the movement has not got off the ground to the extent that it should have with the encouragement given.

With the aim of exploring the weaknesses of the system a working party to examine legislation dealing with co-operatives was set up recently by the various farming interests involved. But the report just published does not confine itself to this narrow field.

The report found in particular that agricultural co-operatives are increasingly at a disadvantage compared with their commercial competitors in the amounts of capital available for investment and trading. The reason seems to be that there is little correllation between the amount of business a member does and the capital subscribed to his business. This shortage of capital is common to most farming businesses and reflects in fact the chronic capital shortage in the industry.

The working party suggests this might be altered with the help of new legislation. The argument is that if a co-operative trading society is looked on as an extension of the farmer's own business, the capital invested should receive the same tax advantages as if it were spent on the farm. A farmer can erect grain stores and feed plants, and receive grants and tax allowances for them not allowed at present to the co-operatives. Certain agricultural assets owned by individuals receive the 45 per cent. relief from estate duty which investment in co-operative shares would not enjoy.

It is recommended that a permanent source of outside capital should be found, without giving this capital source control of the co-operatives' business: it is suggested that some of this money could come from past members of the co-operatives. The establishment of a register under an Agricultural Associations Act to which all agricultural co-operatives should be transferred is also recommended.

Management

These proposals are bound to arouse protests from commercial interests who have been highly critical of co-operatives in the past on the grounds of their alleged favoured position, particularly those registered under the Friendly Society provisions. Any further legislative help would be discriminatory they are bound to claim.

It has also always seemed to me that co-operatives have suffered less from lack of capital than from woolly management which has appealed to members' loyalty rather than to the financial advantages they can gain from membership. A society showing really good results would probably have little trouble raising the money it needs because capital availability often makes no difference to profits earned.

Nonetheless, prospective Common Market entry will probably make the co-operatives' task easier, under the Common Agricultural Policy, and in most member countries, agricultural co-operatives are particularly well catered for.

Limited boost to sugar supplies

BY OUR COMMODITIES STAFF

THE redistribution of 200,000 tons of sugar export quota shortfalls, was announced last night by the International Sugar Organisation's executive committee. It also agreed to suspend for the rest of 1971 the International Sugar Agreement provision that could have resulted in the remaining 400,000 tons or so of quota shortfalls being released on to the market. At the same time the committee recommended that the Sugar Council at its November session should fix initial export quotas for 1972 at not less than 105 per cent. of basic export tonnages.

Of the redistribution, 88,821 metric tons goes to Cuba, 33,070 tons to Australia, 20,656 tons to Brazil and 18,790 tons to South Africa.

The move has been taken in the light of the continuing high level of prices which were expected to result in an ISA prevailing price being established to-day at over 4 U.S. cents a lb.

Under the Agreement's provisions, this would require quotas in effect to be raised to not less than the total of basic export tonnages, which would mean the re-allocation of the 600,000 tons or so of shortfalls. The committee has pre-empted this by the redistribution of 200,000 tons and the suspension of the provision for the balance of 1971.

The committee said the suspension did not prejudice any further action in respect of the quota levels within its general discretion. It would continue to keep the market situation under close review and would meet promptly if it considered price or other developments warranted it.

The decision to recommend a 105 per cent. export quota next year was subject to the committee's consideration of the next report of the statistics committee.

Meanwhile, Japanese sugar refiners are reluctant to accept new pricing terms for Cuban sugar sales to Japan for shipment next year, Reuter reported yesterday from Tokyo.

The Cuban Sugar Corporation recently proposed a drastic revision in the pricing terms for Cuban sugar from the previous London daily price basis to the London terminal market basis without premiums, it was reported. Cuba also proposed future contracts should cover one full year, instead of six months.

Japan contracted to import about 900,000 tons of Cuban sugar this year on half-yearly contracts under which import prices are linked to the London daily price with premiums ranging from £2.45 to £ per ton.

Trade sources said some Japanese refineries, preferring the non-premium terms, reportedly committed themselves to buy some cargoes of Cuban sugar at prices linked to the London terminal market.

Australian wool income down

BY MICHAEL SOUTHERN, AUSTRALIA EDITOR

STATISTICS released here to-day by the National Council of Wool Selling Brokers show an 11.9 per cent. drop in Australia's wool income for the first quarter of the financial year. Income in the first quarter was $A58.75m, compared to $A66.55m. in the July-September quarter of last year.

The drop has been caused by a protracted decline in wool prices and a fall in the amounts of wool sold. The Australian Wool Commission has taken some 25 per cent. of the wool offered for sale at recent auctions and its stockpile has reached the point of being the biggest held by any wool-producing country in modern history at 650,000 bales.

In the first quarter, the National Council's statistics show that 667,244 bales were sold, against 721,238 last year. The average price was 61.61 cents a kilo which is 5.9 cents below the price level during this time last year.

Wool awaiting sale at the end of September totalled more than 1.1m. bales—almost 12 per cent. more than last year.

Sale cancelled

Sales of wool offered at the Australian auctions so far this season added up to $A80.8m., according to the Australian Wool Commission which bought about $A21m. worth of the offerings.

Value at the Melbourne sale yesterday remained firm, with the trade purchasing 72 per cent. of the 18,000 bales on offer—19 per cent. going to the Australian Wool Commission and 9 per cent. being passed on.

The wool sales scheduled for Brisbane on November 8-11 have been cancelled because of a strike by the storemen and packers union.

The NCWSB announcing the cancellation, said 70,000 bales had been listed for sale. If the strike, now entering its 19th day, ends within the next week, the council said it would try to arrange alternate dates for later in November.

Production of wool yarn is continuing to increase in Australia in spite of the apparent depressed state of the textile industry.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Little changed on balance on the London Metal Exchange. Opening at £437 (the day's highest price) following the fall in warehouse stocks which, although expected, still encouraged the market, forward metal traded within a narrow range before easing to £434½ on the late Kerb. Turnover 15,525 metric tons.

Henry Gardner and Co. reported that in the morning, wirebars cash traded at £430 to 28.5, late Oct. £430, three months £437, 37.5 to 38. Kerb: cash £429, late Dec. £434, three months £435.5, 36, 35.5. Cathodes: cash £417, 17.5, 18, 17.5, three months £424 to 25.5. Kerb: three months £427. Afternoon: Wirebars: cash £429.5, 29, 29.5, three months £436, 36.5, 36. Kerb: mid-Oct. £428.5, mid-Dec. £433.5, 34, mid-Jan. £435.5, three months £436 to 34, 34.5. Cathodes: early Jan. £423, three months £424. Kerb: three months £424.5, 25, 24.5.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	428-.5	+3.5	429-.5	+1.5
3 months	435-.0	+2	436-.5	+1.75
Settlem't	428.5	+5.5	—	......
Cathodes				
Cash	417-.5	+4.25	417-.5	+1.75
3 months	424.5-5	+5	424-.5	+1
Settlem't	417.5	+4	—	......
U.S. Smt.	—	......	52.75-53	......

TIN—Moved narrowly. The Penang market being closed there was continued quietness here with prices hovering just above the £1,400 level at which point the buffer stock manager is last thought to have bought metal. Turnover 365 tons.

Morning: cash £1,401, late Dec. £1,405, early Jan. £1,404, three months £1,403, 04, 03. Kerb: three months £1,404. Afternoon: cash £1,402, early Jan. and three months £1,404. Kerb: cash £1,402, 03, three months £1,405.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	1400-1	......	1401-2	+1
3 months	1404-5	......	1405-6	+1.5
S'ment	1401	......	—	......
Straits E.	1424.69	......	—	......
New York	—	......	*107.00	......

LEAD—Marginally firmer. Prices edged upwards in quiet trading despite a rather larger than expected rise in warehouse stocks. Turnover 1,750 tons.

Morning: cash £89.75, mid-Dec. £91.5, three months £92. Afternoon: cash £90.25, three months £92.25, 92.5.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	90-.25	......	90.5-.75	+.5
3 months	92-.25	......	92.5-.75	+.5
S'ment	90.25	......	—	......
N.Y. Spot	—	......	*14-14½	......

ZINC—Higher again, although prices were little changed when compared with Friday's late Kerb levels. Forward metal opened at £139½, eased to £139 and finally closed at £139½. The slight recovery was prompted by buying from a source usually associated with producers during the afternoon. Turnover 3,675 tons.

Morning: early Nov. £139.5, mid-Nov. £140, late Nov. £139.75, three months £139.75 to 39, 39.25. Kerb: three months £139. Afternoon: cash £138.5, 39.25, 39.5, three months £139.25. Kerb: early Nov. and mid-Jan. £139.25, three months £139.25.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£		£	£
Cash	139-.5	+.125	139-.20	+1.87
3 months	139-.25	+.5	139-.25	+1.0
S'ment	139.5	+.25	—	......
E St. Louis	—	......	17.00	......

* Cents per lb. † On previous unofficial close.

SILVER

Silver was fixed 1p higher in the London bullion market for spot delivery at 54p. The three-month and six-month premiums also gained 1p. Business was moderate and the spot price ended at about the fixing level.

SILVER (per troy oz.)	Bullion fixing (selling) prices	+ or —	LME close	+ or —
Spot	54.0p	+1.0	54.25p	+0.6
3 months	54.8p	+1.0	55.00p	+0.55
6 months	56.0p	+1.0	55.90p	+0.66
12 months	57.5p	+0.8	—	......

LME—Turnover 231 (145) lots of 10,000 ozs. Morning: Cash 54.1p, 54.2p, three months 55p, 54.8p, 54.9p. Kerb: Cash 54.2p. Afternoon: Mid-Oct. 54.3p, early Jan. 55p, three months 54.9p, 55p, 55.1p, 55p. Kerb: Three months 55p.

COCONUT OIL

Quiet and untraded, reports G. W. Joynson. Close: Nov., Jan., March, May, July, Sept., Nov. £109-119 (same). Turnover 0 (0) lots of 20 tons each. Price basis ex-tank Rotterdam.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 652 metric tons, reports F. W. Tattersall. Demand was still limited with Latin American cottons to the fore although Middle Eastern qualities were not neglected.

COCOA

The market again eased, reports Gill and Duffus. Either actual origin sales, or anticipation of them, brought out fresh selling which found limited offtake.

COCOA	Yesterday's Close	+ or —	Business Done
No.2 Contract			
December	190.5-1.0	—4.5	190.0-4.0
March	197.0-7.5	—3.0	198.0-9.0
May	200.0-0.5	—3.5	199.5-202.0
July	204.0-4.5	—3.0	205.5-5.6
September	207.5-8.0	—3.5	207.5-9.5
December	215.0-3.5	—3.5	213.0-6.0
March	218.0-9.0	—3.0	218.5

Sales: 5,957 (3,735) lots of 5 tons each.

FREIGHTS

DRY CARGO—The market opened on quiet note but during the week-end recess grain shippers covered cargoes from the St. Lawrence to Rotterdam at $1.65 f.i.o. for Nov. and from Toledo to Hamburg at $7.50 f.i.o. completing St. Lawrence $3.25 for Oct. A grain cargo was also booked from Duluth to the U.K. at £3.40 f.i.o. completing St. Lawrence £1.90 f.i.o. for Nov. 1-15. Indian Government brokers confirmed a wheat fixture from the Canadian Pacific to East India at £4.30 f.d. for Oct. A holiday in India brought other Indian Government business to a standstill. A 5,000-10,000 tons dwt. vessel with heavy lift of 30,000 tons in required for a trip from S. Africa to the Persian Gulf for early November.

COFFEE

Futures were maintained on dealer buying in a thin market, but the close was quiet.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per ton		
November	365.5-0.5	+1.25	364.5-6.0
January	357.0-8.0	......	357.0-8.0
March	354.0-4.0	+0.5	354.0-5.0
May	351.5-2.0	+0.5	352.0-2.5
July	348.5-9.0	+0.8	348.0-9.0
September	346.0-6.5	+0.5	345.0-6.5
November	343.0-3.5	+0.0	—

Sales: 117 (390) lots of 5 tons each.

Latest published ICO indicator prices U.S. cents per pound. Colombian Mild Arabicas 47.50 (same). Other Milds 42.88 (same). Unwashed Arabicas 42.50 (same). Robustas 41.63 (same). Daily average 43.11 (same).

RUBBER

ABOUT UNCHANGED at the opening, with little interest throughout the day, closing on an easier note. Lewis and Peat reported a godown price of 94* Malayan cents a kilo (buyer, November).

Contract	Previous Day's Business	12.45p.m. Official prices	Closing buyers prices	Rise or fall
C.I.F.	p	p	p	p
Nov.	not avail.	13.1-.25	12.8	—0.3
Dec.	not avail.	13.3-.5	13.15	—0.25
Landed				
Spot	—	13.85-14.3	13.75	—0.1
Nov.	—	14.45-.65	14.35	—0.1
Dec.	14.7-.75	14.7-.9	14.6	—0.1
Jan.	—	14.95-15.15	14.85	—0.1
Jan.-Mar.	—	15.2-.3	15.1	—0.1
Apr.-June	16.05	15.95-16.05	15.9	—0.05
July-Sept.	16.65	16.55-.05	16.45	—0.01
Oct.-Dec.	—	17.15-.25	17.05	—0.01
Jan.-Mar.	—	17.0-.75	17.0	—0.01
Apr.-June	—	17.8-16.05	17.8	—0.01
July-Sept.	—	16.15-.3	18.06	—0.01
Oct.-Dec.	—	18.45-.6	18.35	—0.01
Jan.-Mar.	—	18.65-.85	18.6	—0.05

*Nominal.

Malayan thick crepe Nov. 15.7* (seller). Ceylon thick crepe Nov. 17.6 (seller).

SUGAR

LONDON DAILY PRICE—Unchanged at £43.50 a ton c.i.f. for Oct.-Nov. shipment.

Prices were contained in a 19 points range in dull featureless conditions as the market awaited the result of to-day's ISA Executive Committee meeting, reports C. Czarnikow.

Sugar Pre. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Dec.	45.10-.15	45.15-.20	45.00-.25
Mar.	45.90-.95	46.05-.10	45.85-46.25
May	46.00-.55	46.20-.70	46.50-.70
Aug.	46.45-.50	46.56-.60	46.45-.90
Oct.	46.10-.10	46.15-.30	46.05-.20
Dec.	46.15-.20	46.10-.20	46.15-.20
Mar.	40.00-.50	—	—

Sales, 906 (2,731) lots of 50 tons each.

Tate and Lyle ex-refinery prices for granulated in 1-cwt paper sacks were £4.74 (same) for home trade and £59.75 (same) per ton for export.

GRAINS

THE BALTIC—Moderate quantities of U.S. corn sold for direct shipment to Hull and to Glasgow and there was also limited inquiry for transhipment call. Optional denatured feed wheat attracted interest for Oct. shipment to the U.K. West Coast.

Wheat: Canadian Western Red Spring No. 1 14 per cent. protein Nov. transhipment £30.70 East Coast, U.S. Hard Winter No. 2 12½ per cent. Nov. transhipment £28.85 seller East Coast, Australian f.a.q. Dec.-Jan. transhipment £27.00 seller free out Tilbury.

Maize: No. 3 Yellow American Nov. £23.35 seller Tilbury.

MARK LANE—Average sellers prices per long ton delivered basis: Wheat—soft milling £24.25-£24.75, semi-hard £24.50-£25.60, hard £24.75-£25.35, feed £24.00-£24.50. Barley—Malting £25.00-£30.00 as to quality, feed £23.00-£23.50. Oats—Milling £21.00-£21.50, feed £20.00-£20.50.

LONDON HOME GROWN FUTURES—Wheat, barely steady. Close: Nov. 23.100, Jan. 23.650, March 24.300, May 24.875. Business: Nov. 23.100, Jan. 23.650-23.600, March 24.250, May 24.825. Barley, barely steady. Close: Nov. 22.000, Jan. 22.950, March 23.725, May 24.455. Business: Nov. 22.000, Jan. 22.925-22.900, March 23.700-23.675, May 24.450.

HGCA—Average ex-farm forward prices for week ending October 15. Soft milling wheat. Jan. delivery—S.E. £24.90, S.W. £24.70, East £24.00, E. Midlands £24.30, W. Midlands £23.95, N.E. £24.25, Scotland £24.70, U.K. £24.10. Feb. delivery—S.E. £24.65, S.W. £24.80, East £24.30, E. Midlands £24.35, W. Midlands £24.35, N.E. £25.65, Scotland £25.50, U.K. £24.60. Feeding barley. Jan. delivery—S.E. £23.40, S.W. £23.65, East £23.45, E. Midlands £22.65, W. Midlands £23.80, N.E. £23.25, N.W. £23.50, Scotland £22.85, U.K. £23.40. Feb. delivery—S.E. £23.70, S.W. £24, East £24.05, E. Midlands £23.45, W. Midlands £23.85, N.E. £23.75, U.K. £23.55.

Average ex-farm spot prices for week ending October 15. Soft milling wheat—SE £23.30, SW £23.25, East £22.80, E. Midlands £22.85, W. Midlands £23.65, NE £23.40, NW £23.70, Scotland £22.50, U.K. £22.80. Feeding barley—SE £22.65, SW £23.10, East £22.05, E. Midlands £21.75, W. Midlands £23.65, NE £23.00, NW £22.40, Scotland £20.65, U.K. £22.05.

Location average ex-farm spot prices. Soft milling wheat—Grantham £22.95, Norwich £22.20. Feeding barley—Grantham £21.60, Norwich £21.90.

SOYABEAN OIL

Quiet, untraded, reports G. W. Joynson.

Soyabean Oil	Yesterday's Close	+ or —	Business Done
	£'s a metric ton		
November	108.0-20.0	......	—
January	107.5-16.8	......	—
March	105.5-10.5	......	—
May	105.5-14.6	......	—
July	104.5-13.5	......	—
September	103.5-13.0	......	—
November	102.5-12.5	......	—

Turnover 0 (0) lots of 20 metric tons each. Price basis ex-tank Rotterdam.

SUNFLOWER OIL

Untraded, reports G. W. Joynson.

Sunflower Oil	Yesterday's Close	+ or —	Business Done
	£'s a metric ton.		
November	147.0-58.0	......	—
January	146.0-54.0	......	—
March	145.0-55.0	......	—
May	144.0-54.0	......	—
July	144.0-55.0	......	—
September	144.0-54.0	......	—

WOOL FUTURES

JUTE

DUNDEE—Steady and unchanged. Prices c.i.f. U.K. for Oct.-Nov. shipment: PWB £156, PWC £147.50, PWD £138.50. Tossa: PTB £164, PTC £154, PTD £143. Calcutta market closed for Indian holiday. Yarns and cloths firm and a limited volume of business.

MEAT/VEGETABLES

PRICE CHANGES

Prices per ton unless otherwise stated.

	Oct. 18 1971	+ or —	Month ago
Metals			
Aluminium (a) (w)	£257.26	......	£257.2
Copper			
Cash Wire Bars (x)	£428.25	+1.5	£418.25
3 months do. do. (x)	£436.25	+1.75	£426.75
Cash Cathodes (x)	£417.25	+1.75	£406.5
3 months do. do.	£424.25	+1	£410.75
Gold......Troy oz.	$42.60	......	$42.50
Lead Cash (a)	£90.625	+.5	£90.025
3 months (x)	£92.625	+.5	£99.375
Nickel (x)	£1,249.5	......	£1,246.5
Platinum (b) troy oz.	£50	......	£50
Free market	£44½-47	......	£45½-48
Quicksilver (76lbs.)	£212	......	£212
Silver Troy oz.	54.0p	+1	56.5p
3 months	54.8p	+1	57.4p
Tin Cash (x)	£1,401.5	+1	£1,411.5
3 months (x)	£1,405.5	+1.5	£1,425
Wolfram 22.04lbcif.	£20-21	......	£17½-8½
Zinc Cash (x)	£139.125	+1.875	£120.875
3 months (x)	£139.125	+1.0	£123.875
Producers (x)	£150	......	£150
Oils			
Coconut Malayan	†£135 (o)	......	£156
Groundnuts			
6%	†£168 (s)	......	£101
Linseed Crude	†£102 (s)	......	£103
Palm, Malayan	£102 (k)	+1	£100
Soyabean z	†$303 (s)	......	$289
Seeds			
Copra Philipp. ton	†$170 (t)	+1	$177
Gr'nuts, Niger'n	†£95.50 (s)	+0.75	£98.50
Linseed Can. No. 1	†£47.y	......	£45.70
Grains			
Barley			
Can No. 2	£23.60	......	£24.25
Home Futures	£22.90	—0.075	£22.725
Maize			
No. 3 Yellow Am.	£23.20	+0.15	£23.60
S.A. Yellow Flint	‡	......	‡
Wheat			
No. 1 Red Spring	£30.70	......	£31.15
No. 2 Hard Winter	£28.85	+0.10	£29.10
Australian	£27	......	£27.50
English Milling	£24½-5½	......	£24½-5½
Cocoa Shipmt (x)	£131.50	—5.50	£226
futures Mar.	£137.25	—3	£224.25
Coffee Shipment (c)	56.00	......	‡
futures Jan.	£357.75	......	£307.75
Cotton Liverpool cif index cents per lb.	36.40	......	36.00
Jute LJA PWC (l)	£145	......	£146.50
Rubber......Kilo	13.75p	—0.1	14.0p
Sisal KA 3L (s)	£67-68	......	£76
Sugar	£43.50	......	£41
Wooltops 64s...Kilo	65p	......	67p
Cloves (Madagascar)	‡	......	£1,350
Pepper White... ton	†£520 (p)	......	£475
Black... ton	†£380 (p)	......	£370

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ⊕ Indicative price. a Canadian delivered U.K. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative price f.o.b. Mombasa, U.S. cents a lb. d Pakistan white "C." w Ex-warehouse. z C.I.F. U.K. e Metric tons. g Oct.-Nov.

INDICES

FINANCIAL TIMES

REUTER'S

DOW JONES

MOODY'S

U.S. Markets

NEW YORK, Oct. 18.

COCOA eased under hedging against Nigerian sales with trade and manufacturers absorbing the downward movement. The soyabean complex closed lower in front of the 1971 feed grain programme in anticipation of an increased soyabean acreage. Wheat and corn closed higher with the programme expected to reduce acreage, Bache reports.

Cocoa—Bahia spot 22½ (22¾), Ghana spot 24½ (24½), Dec. 21.43 (21.68), March 21.55 (21.80), May 21.92, July 22.27, Sept. 22.66, Dec. 23.08, March 23.48. Sales, 851.

Coffee—Santos No. 2/3 unquoted (same), Santos No. 4 42.50 nom. (same), Colombian Mams 48.50 asked (47.50 asked).

Copper—Oct. 48.70 (48.90), Dec. 48.15 (49.35), Jan. 49.20, March 49.65 settlements. Sales, 747 lots.

Cotton—Contract No. 2. Dec. 31.75-31.78 (31.97-31.99), March 32.53-32.58 (32.88-32.90), May 33.05-33.08, July 32.88-32.94, Oct. 30.80, Dec. 30.45, March 31.20-31.40.

§§Cottonseed Oil—Dec. 15.25-15.30 (15.25-15.40), Jan. 15.25-15.50 (15.25-15.40), March 15.35-15.40, May 15.35-15.40, July 15.40-15.60, Sept. 14.80-15.20, Oct. 14.65-15.10, Dec. 14.50-15.00. Sales, nil.

⊕Greasewool—Spot 51.5 nom. (same). Dec. 58.5-60.1 (same), March 62.5-63.8 (63.3-65.0), May 64.5-64.59, July 66.0-67.8, Oct. 66.6-6.86, Dec. 67.7-67.91, March 68.1-66.95.

†Lard—Chicago loose 10½-11 (same). N.Y. drummed 13½-14 (same).

††Maize—Dec. 116½-116¾ (116½-116), March 121¼-121½ (120¾-121), May 124½-125, July 126½-126¾, Sept. 127¼.

‡Mercury—Dec. 270 (same), March 270 (same), May 270, July 270, Sept. 270, Dec. 270, March 270 settlements. Sales, nil.

‡‡Silver—Spot 135.50 (133.60), Oct. 134.90 (134.10), Nov. 135.20 (134.20), Dec. 136.00, Jan. 136.90, March 138.70, May 140.60, July 142.40, Sept. 144.20, Dec. 146.70, Jan. 147.50 settlements. Sales, 1,760.

*Soyabeans—Nov. 320½-321 (324-324½), Jan. 324-324½ (326½-327½), March 328, May 331½-331¼, July 332½, Aug. 325, Sept. 308, 310.

bSoyabean Meal—Oct. 81.65 (80.80), Nov. 81.85-81.00 (81.30), Dec. 82.90-82.85, Jan. 83.00, March 83.70, May 84.10, July 84.65-84.50, Aug. 84.70, Sept. 81.00-81.25.

Soyabean Oil—Oct. 13.42-13.45 (13.59-13.62), Nov. 13.15 (13.35-13.33), Dec. 13.05-13.08, Jan. 12.89-12.88, March 12.60-12.65, May 12.57, July 12.44-12.64, Aug. 12.35, 12.24, Sept. 12.09-12.10.

American News

Business leaders predict expansion through 1972

BY PAUL LEWIS, U.S. EDITOR WASHINGTON, Oct. 18.

PRESIDENT Nixon's new economic policies are likely to produce an accelerating expansion of the domestic economy during the remainder of this year and througbout 1972, in the view of American business leaders.

This is the principal message of the latest forecasts prepared by the President's Business Advisory Council and released at its Hot Springs meeting over the week-end. The forecasts are based on a poll of leading corporate economists.

During 1971 the Business Council now expects that Gross National Product will expand by over 9 per cent. at market prices. Since it expects an inflation rate of between 3 and 4 per cent., this implies a real growth rate of 5-6 per cent.

For the current year it is forecasting a growth rate of about 7.5 per cent. at current prices. With the prica deflator likely to reach 4.5 per cent., compared with 5.5 per cent. last year, real growth would ba about 3 per cent., or substantially below next year's target.

Most of the economists consulted said they believed the new wages and prices controls wonld bave a significant effect on inflation, but they also urged that these should be accompanied by prudent fiscal and monetary policles.

As regards the immediate outlook, they said that the consumer sector is continuing to improve and that there are now some indications that the strengthening io demand is beginning to work back through the economy to the more basic sectors.

Small improvement

While the prediction of a fairly strong upturn next year is heartening for the Administration, the Business Council's forecasts about employment are less so. For despite tbe expansion, it still predicts that the unemployment rata will be between 5 per cent. and 5.5 per cent. in the last quarter of next year.

This would represent only a small improvement on the current rate of about 5.9 per cent. and highlights tha difficulties the Administration faces in trying to promote growth at the same tima as it is stebilising prices. In political terms, however, it is possible that an improving trend in the figures could serve President Nixon as well as a substantial decline in next October's elections.

The Business Council's price forecasts are also ont of line with the Administration's hopes since the President has set himself a target inflation rate of between 2 and 3 per cent. by the end of 1972. There have been reports recently that many major companies and sectors intend to press for higher prices wben the outrigbt freeze expires next month, and the fact that the veteran labour leader, Mr. George Meany, warned recently that a 4 per cent. inflation rata was a more realistic goal than the President's figures, suggests that the new review boards will be coming under pressure on the wages front as well.

● Treasury Secretary Mr. John Connelly expressed the bope that the 10 per cent. import surcharge would be lifted in two to three mobths but be warned that it was up to America'a trading partners.

Nixon wins victory on consumer protection

By Our Own Correspondent

WASHINGTON, Oct. 18.

THE HOUSE of Representatives has passed by an overwhelming majority legislation which would set up an independent consumer protection agency within the executive branch. It also rejected ao amendment which would bava given tbe agency greater powers to intervena on behalf of the consumer.

The House vote was seen as a major triumph for the Nixon Administration which, together with several business groups and the U.S. Department of Commerce, bad exerted strong pressure on the House Government operations committee considering the Bill.

The final version of the Bill as it emerged from the committee stripped the agency of many of the regulatory powers envisioned by the original sponsors of the Bill. Mr. Ralpb Nader and otber consumer edvocates on the hill charged that the committee bad gutted the Bill. However, attempts by a group of Democrats to restore aome of its original muscle by introducing a last-minute amendment were defeated.

Amex calls for national SE system

WASHINGTON, Oct. 18.

THE AMERICAN Stock Exchange to-dey proposed a restructuring of the nation'a securities markets. Mr. Paul Kolton, president of the exchange, in testimony at public heerings at the Securities and Exchange Commission, outlined proposals for e new coordinated national stock exchange system with a consolidated tape and a new governing authority to coordinate the system.

The proposals are similar to recommendations put forward by Mr. William McChesney Martin, a former chaiman of the Federal Reserve Board, in bis report on the securities industry earlier this year.

The Amex president called for a two-phase approacb to the formation of the national system: firstly, work on designing and planning of the administrative, technological and regularity framework of the system, and preparation of necessary regulation; and secondly, formation of a broadly-based and permanent panel to set policy and coordinate the system. Reuter

WORLD BANK $25M. ISSUE

By Our Foreign Staff

The International Bank for Reconstruction and Development offered a $25m. issue of 7¼ per cent. eight year Canadian dollar bonds at 99.75 per cent. on October 14, the managing syndicate said yesterday.

French sceptical at reports of surcharge deal with Germany

BY ROBERT MAUTHNER PARIS, Oct. 18.

REPORTS thet an agreement in principle has been reecbed between the U.S. and West Germany granting the West Germans exclusive exemption from the 10 per cent. American import surcharge heve been greeted with astonishment end scepticism by French officials.

The view in Paris is that, wbatever Mr. John Connally, the U.S. Secretary of the Treasury, might bave said on the subject, it was most unlikely that an agreement of this nature would ever see the light of day. If the West Germans were to accept sucb a discriminatory arrangement in their favour, it would certainly be looked upon by all their Common Market partners, not only the French, es a serious blow to tha Community. Few people bere believe that Bonn would risk a major political row within the Common Market at a time wben it is attempting to patcb up its quarrel with France over international monetary policy.

It is also being empbasised at the French Finance Ministry thet an exclusive arrangement with Germany is not in line with the American's own policy, as demonstrated by last week's agreement between Wasbington and Tokyo on the limitation of Japanese textile exports. As part of the agreement, the Americans suspended the import surcbarge on textile imports from all sources, not only from Japan—a sign that the Americans are anxious to provoke as little International bad blood as possible in present circumstances.

There can be no doubt, too, that the singling out of the Germans for favoured treatment would make an international agreement on the balance of payments and exchange rate edjustments required to wipe oot the American payments deficit much more difficult to reach.

Talks on this subject were resumed in Paris to-day in the forum of the OECD's Working Party Three, which groups the central bankers and high Treasury officials from the world's main industrialised nations. The Europeans and the Japanese were expected to tell the chief American representative, Mr. Paul Volcker, Under-Secretary et the U.S. Treasury, that Mr. Connally's demand for a $13,000m. swing in the American balance of payments was unrealistic.

According to the OECD secretariat, which bas prepared a voluminous document on the subject, the turnaround required in the U.S. current account to bring the balance of payments into equilibrinm, would be no more than $8,000m.

Secession threat to ECCA

BY DAVID LASCELLES

THE future of tha East Caribbean Currency Autbority which acts as a central bank for a number of British Commonwealth Caribbean islands will come under intense discussion in the coming months now that certain members may secede.

Only Barbados has so far announced concrete plans to leave the authority and set up its own central bank witb currency issuing powers. But a number of other territories are known to be nurturing similar plans as part of their policies to achieve economic independence in spite of their small size.

The new Government in Antigua, wbicb bas already adopted a strongly nationalistic stance, wants its own central bank so that it can improve the availability of credit to Antiguans and gain a stronger bold on the island's economy whicb badly needs stimulation.

The increasing fragmentation of the ECCA (Trinidad and Tobego and Guyana already have their own Central Banks) is being viewed with alarm by the secretariat of the Caribbean Free Trade Area (Carifta) which is planning total economic integration of the East Caribbean Commonwealth region. The one big advantage that Carifta can claim over the European Common Market on wbich it is being modelled, is that most of its members share a common currency. But bere the situation is also cbanging.

However observers bave been encouraged to see that the ECCA territories and Trinidad and Tobago and Guyana wbose dollars bave all traditionally had tbe same value and been freely exchangeable, have not been thrown into disarray by the recent world currency crisis.

In its annual report the ECCA notes that the money supply at the end of the 1970-71 period was EC$134.5m., or EC$0.6m. less than at the end of the previous period.

When allowance is made for price increases, the Authority seys that this stagnation in supply suggests that domestic economies did not grow at a satisfactory rate during the year. However the Authority's monetary assets increased by more than 10 per cent. to EC$441.4m. This is attributed to an expansion in domestic credit.

TRINIDAD AND NATIONALISATION

Williams pledges caution

BY DAVID RENWICK, PORT OF SPAIN CORRESPONDENT

THERE WILL be no indiscriminate nationalisation io Trinidad and Tobago as long as tha People's Nationel Movement is in power.

Dr. Eric Williama, Prime Minister and party leader, reaffirmed this posture at the PNM's 13th annual convention. He made it clear thet the Trinidad end Tobago Government had learnt its lesson from the experiences of other developing countries.

"We bave kept in mind what has bappened in Ghana with the previous regime end in Indonesia with tbe previous regime and we bave been extremely careful not to sacrifice the well-being of the people in Trinidad and Tobago on tbe altar of some intellectual fetisb which is now being considerably modified in the countries where it originated—as in Yugoslavia, as in Czechoslovakia before the Soviet intervention and as in the Soviet Union, where there are increasing grumbles of discontent.

"Our stand has been and continues to be to deal with key sectors of tbe economy such as oil and sugar."

Dr. Eric Williams

In local hands

The Prime Minister's declaration at the convention was both a restatement of wbat bas been official Government policy as outlined in tha 1969-1973 Third Five-Year Plan and en answer to the Tapia House, a group of young lecturers, students and others centred around the University of tbe West Indies at St. Augustine, whicb called once more for "localisation and reorganisation" of the economy in the recent independence issue of their paper *Tapia*.

Dr. Williams derided *Tapia's* proposals by pointing out that the group epperently was not aware that many of the sectors or companies it suggested for immediate local take-over were already either in the hands of the State, in private locel hands or were the subject of definite Government action designed to regulate activity in the interests of the people.

The Government has been paying particular attention, as the Prime Minister pointed out, to Trinidad and Tobago's historic economic mainstays of oil and sugar. Sugar was dealt with in July, 1970, wben the Government bought a 51 per cent. interest in the sugar company Caroni from Tate and Lyle for £2m., 30 par cent. of whicb was paid in cash at once and tbe rest over ten years at 5.35 per cent.

Oil is being localised in two weys—by direct state investment in the induatry and by statutory measures that seek to maximiae the benefits to Trinidad and Tobago. The Government bougbt out British Petroleum's local assets in 1969 in a 50-50 pertnership with the Tesoro Corporation of San Antonio, Texas, an independent American company apparently well known for its secondary recovery techniques (necessary in Trinidad and Tobago where many of the onshore wells bave passed their productive peak).

The National Petroleum Company, a wbolly owned state corporation establisbed in 1969, will be the Government's agent for investing in the oil industry. Negotiations are currently under way for the transfer of the remaining BP presence in Trinidad end Tobago—a string of petrol stations—to the NPC.

Statutory regulation of the industry will be acbieved by the use of the Petroleum Act, 1969, wbich, as Dr. Williams reminded tbe convention, "has modified the policy of leases, increased the rete of royalty and gives the Government a legal basis for participation in oil. The participation policy bas been enforced in respect of bids for the North Coast area. We are actively working on the question of the acreage on tbe South East Coast. In respect of the Amoco discoveries of oil and gas on the East Coast, we are concerned with ensuring the maximum utilisation in the public interest of this find, involving further industrialisation as against export of crude or liquid gas and, in this respect, discussions ere taking place as to actual Government participation in the financing of this industrialisation."

The Government's realistic epproach to nationalisation derives not only from Dr. Williams's own pragmatism (the PNM has oever called itsalf a socialist party, unlike the People's National Party in Jamaica, the People's National Congress in Guyana and even tbe Democratic Labour Party in Barbados) but also from practicel experience of the competitiveness of international commerce.

When the Government and Tesoro took over BP's interests, the company tbat came into being, Trinidad-Tesoro, had great difficulty finding markets for a mere 44,000 barrela of crude oil a day, which was its production at the time, and constituted just under one-third of the country's total indigenous output of crude.

Dr. Williams's impatienca with critics like the Tapia group perbaps stems from bis feeling that, though the Government is committed to proceeding cautiously, it bas takan a share in a fairly large number of enterprises in a remarkably short space of time.

In tbe last four years, the Trinided and Tobago Government bas taken over full ownership in the Orange Grove National Sugar Company, the National Commercial Bank of Trinidad and Tobago (formerly tbe Trinidad brancb of the Bank of London and Montreal), Radio 610 (bougbt from Lord Thomson), Trinidad and Tobago Meat Processors, Trinidad and Tobago Development Finance, Caribbean Printers (bougbt from Booker McConnell) 90 per cent. in Trinidad and Tobago Television (bought from Lord Thomson and Rediffusion), 51 per cent. in Trinidad and Tobago External Telecommunications (bought from Cable and Wireless), 51 per cent. in Trinidad and Tobago Port Contractors and 51 per cent. in a new company formed to make particle board from bagasse, the sugar cane residue.

Hilton Hotel

The Government's 100 per cent. ownership of the Hilton Hotel, Trinidad and Tobago Electricity Corporation and the Public Transport Service Corporation and 50 per cent. in the Trinidad and Tobago Telephone Company (owned jointly with Continental Telepbone Corporation of the U.S.), go back some years. It owned ell of the sbares in the international airline, British West Indian Airways, until 10 per cent. was sold to American investors. Minority investments are beld by the state in several other businesses.

Dr. Williams bas, in the past, explicitly disavowed Fidel Castro's methods, "because they are totalitarian," but, in detailing the above collection of nationalised interests, he is on record as boasting: "We have already gone further than any Caribbean territory except Cuba."

Export News

£30m. U.K. components for Volvo

By Ray Dafter

TOR LINE has won a £2m. five-year contract from Volvo to ship British manufactured vehicle components to Sweden and some assembled vehicles back to Britain.

Exports to Volvo have increased by 28 per cent. in the last three years. More than 81,000 tons of export and import freight will be carried in the first 12 months of the new contract. Of this 73,000 tons will be U.K. exports worth more than £30m. consisting of component parts for Volvo cars, trucks, tractors, combine harvesters and heavy dump trucks.

More sailings

In renewing the contract Volvo said that the line's frequent sailings from the U.K. to Sweden were an essential part of their production planning.

The service provides five direct sailings a week between Immingham and Gothenburg. The flow of components is controlled in the Humber port by D. D. Smyth and Co., Volvo's shipping agents, which recently announced the opening of a new terminal designed and built to cater for the increased volume of cargo being handled.

From November Tor Line is to offer six return sailings a week for cargo between England and Sweden, made possible by the line's new cargo-only ferry, Tor Gothia.

THE THIRD WORLD—EAST OF SUEZ

Singapore exhibition to counter withdrawal fears

BY CHARLES SMITH, FAR EAST CORRESPONDENT

OVER 200 companies, with about £10m. worth of products, are represented at the British Industrial Exhibition in Singapore, which opened yesterday in a former British Army ordnance depot.

The exhibition, sponsored by the Department of Trade and Industry and the British National Export Council is the largest of its kind to have been held in Singapore and one of the most ambitious operations ever mounted to promote British exports in the area.

It is aimed not only at Singapore itself, which absorbed £65m. worth of British goods last year, but also at the South East Asian region which represents a market of over £200m. a year for U.K. exports.

Military pull-out

One reason for the decision to hold a major trade exhibition in Singapore this autumn is believed to have been a desire to dispel any impression that Britain is "pulling out" of the South East Asian region in an economic sense.

The exhibition will coincide with—and no doubt distract attention from—the final phase of the British military withdrawal from Singapore which is due to end on October 31. It is likely to be followed, in December, by a conference in Singapore of British officials concerned with trade promotion in the Far East who will be able to assess results and future export prospects.

Britain's trade with Singapore and Malaysia has been doing well recently, after a thin period during the mid-60s, and officials concerned with it now talk not simply of maintaining the U.K.'s share of the Singapore market (currently just over 7.5 per cent.) but of increasing market shares as Singapore's import requirements grow more sophisticated. Exports to Singapore in the first half this year were up 17 per cent. on the same period of 1970. Taken together, Singapore and Malaysia now represent Britain's second largest Far Eastern market, next to Japan.

In order to insure that the Singapore exhibition has the widest possible impact on neighbouring countries invitations have been issued to some 60 businessmen and officials from South East Asia carefully selected for their ability to influence import decisions in their countries.

Lord Drumalhyn—the EEC will not come between us.

The visitors will be given their fares to Singapore and will be transported to the Exhibition site on a London Transport double-decker bus. National Days are also being organised for each major South East Asian country and a British export golf tournament is to be held to-day under the sponsorship of Dunlop and a local hotel group.

Investment

Products on display at the exhibition range from heavy drilling and earth moving equipment, through machine tools, to scientific instruments and electronic equipment. Several companies will be showing equipment for controlling air pollution and there will be models and photographs of British aircraft and missiles. In addition 12 member companies of the British Consultants' Bureau are mounting a joint stand. A special pavilion is devoted to the contribution made by British investment to Singapore's industrial development.

Harvey Stockwin writes from Singapore:—The exhibition was opened with a pledge by Lord Drumalhyn, Minister without portfolio, that British interest in this region would not be diminished by membership of the European Economic Community.

He told the invited audience of Asian importers and British businessmen that the exhibition and five-power defence arrangements were proof of Britain's resolve to strengthen commercial ties with South East Asia.

Attention

It would be "entirely wrong," he said, to suggest that negotiations for EEC membership meant a decline in attention to this region. The British minister also sought to reassure his Asian audience that the problem of labour relations in the U.K. was on the wane.

Attractive Asian hostesses wearing mini-skirts and hot pants and bearing Union Jack parasols directed large crowds around the sprawling complex. The only un-British touch—apart from blinding sunshine—was Tyrolean music coming from loudspeakers.

Kuwait show

A British Week in Kuwait has just ended a 10-month U.K. trade drive in this country's second largest Arab market. Excluding armaments, U.K. sales to Kuwait last year topped £26m., and it is believed that Britain should benefit from a surge in demand for both capital and consumer goods.

However, the U.K. is lagging behind other suppliers. In 1970, Japan took first place selling goods worth £34m., and U.S. sales were £30m. In the decade of the 1960s, Kuwait imports rose from £89m. to £223m., but Britain's market share has declined by some 50 per cent. to 12 per cent.

Michael Shocket, cigar and Rolls—light relief in Belgium.

Main beam on Europe

BY DAVID CURRY

MICHAEL SHOCKET is 31, sports carefully trimmed sideboards, operates out of a dingy office in a back alley of Dalston, and is trying to make up his mind whether to order a new Rolls-Royce Silver Cloud or make do with the 10-year-old Rolls he has at the moment.

He set himself up in business when he was 19 selling lamp bulbs for motor vehicles to the trade, and he gave himself 10 years to own a Rolls. He just made it.

Now M. D. Shocket and Co. has a turnover of about £220,000 and is planning operations in all the major Common Market countries.

The company gets its bulbs from the major manufacturers. They are then sold under the Florida brand name direct to the trade, cutting out the wholesaler. The 30 salesmen work on a commission-only basis, selling to the client for whatever price they can command. The head office sends out the invoice and receives the payment, retains a fixed amount corresponding to purchase price, profit and overheads. What is left goes to the salesman.

Shocket started exporting two years ago and now reckons overseas sales account for about 15 per cent. of turnover. The majority of these sales are in Commonwealth countries which import British cars.

He aims to build up a cash flow by pushing sales of the expensive quartz iodine halogen lamp in Europe.

Belgium

However, Shocket's immediate aim is to get a direct selling operation off the ground in Belgium, which, he thinks, has similar market characteristics to this country. He reckons he could achieve a £50,000 turnover in the first year, exporting the bulbs from England.

Eventually, extension of the range of bulbs he holds to cover the major European car makes would enable him to set up throughout the EEC.

"The big bulb producers simply cannot compete with us in direct selling," says Shocket. They have the expertise in manufacture: we have it in selling. Some have tried direct selling and have come a cropper.

But what about a take-over? "Expansion is going to come from internally-generated income," Shocket asserts. "There is no outside money in the company and that's how it will stay.

"I started the company on £19 saved in sixpences in a Dimple Haig bottle. I am not going to lose it now."

This year Shocket is shooting for a £400,000 turnover and £80,000 export sales.

"I'll stay in the business," he says. "I know how to sell lamps. The trouble is, I don't know what to aim at after I get the new Rolls.

"How about a company aircraft?" I suggested.

KNOW-HOW

Chloride deal with Italy

THE Italian company FIAMM, a manufacturer of lead-acid batteries and a leading company in the manufacturing and marketing of electromagnet and electropneumatic horns for motor-vehicles, has signed a technical agreement with the Chloride Group, the makers of Exide and Dagenite batteries.

Under this agreement FIAMM will develop its industrial battery production principally in the field of traction batteries for electrically propelled mechanical handling trucks.

It is the 14th technical agreement for overseas battery manufacturers signed by the Chloride Group. It will be serviced by Chloride Overseas, the Group's International Company.

Alkaline Batteries, part of the Chloride Group, and Redditch based manufacturers of Alcad nickel cadmium batteries, has announced that orders received are running at approximately 15 per cent. over budget.

The upward trend in sintered battery sales in Europe is expected to continue in the foreseeable future due to the recent awakening of the public to the need for emergency lighting and power supplies, the company commented.

New companies at George Kent

George Kent, the British instrument and process control group, has announced changes in its marketing organisation in Continental Europe.

The new structure follows over a year of surveys in European markets, and says Mr. John Lutyens, Group Managing Director, will help in "stepping up sales in Europe, giving better local support to our agents, and making sure that we have the flexibility for further growth."

The new organisation, when completed, will include two new companies, Kent France SA, based in Paris, and Kent Iberica SA, based in Madrid.

BUSINESS IN BRIEF

Ford plans £3.4m. assembly plant in Congo Kinshasa

Ford is to set up a £3.4m. car and commercial vehicle assembly plant at Kinshasa, in the Democratic Republic of the Congo.

The plant, which is due to go into production early in 1974, will have an initial capacity of 6,000 vehicles a year and a longer term capability of 10,500 vehicles a year.

Assembled at the plant from completely "knocked down" components will be the Escort and Cortina and the Transit and "D" Series commercial vehicles ranges. Initial annual production capacity will be divided between 3,500 cars and 2,500 commercials.

*

THE first overseas order for the new production line Midi buses has been announced by J. H. Sparshatt and Sons of Portsmouth.

Negotiated through the British Leyland export department it is for four 25 seat buses for Lusaka Public Transport Corporation, Zambia. The buses will be built on British Leyland FG 550 chassis.

SOUTH AFRICA

£1m. computer sale by ICL

Two ICL System 4-52 computers, together valued at £1m., have been ordered from International Computers (South Africa) (Pty) by the Allied Building Society. The computers will form the centre of an on-line system which will increase the society's branch and agency client's direct participation in service benefits.

The Allied—one of the "big three" building societies in South Africa—was the first building society in the country, through the former Johannesburg Building Society with whom it amalgamated, to introduce an on-line system to its clients in 1966. The new system will be able to handle more than double the number of accounts—now 780,000—over the next few years.

Branches and agencies will have direct access to the computer facilities through the on-line system.

The system will also provide access to multiple accounts, where a client may require service on two or more savings accounts, in addition to specialised share and fixed deposit accounts.

Gullick Dobson (Export), the Wigan-based Mining Equipment Division of the Dobson Park Industries Group, has secured an order from South Africa worth nearly £200,000 for hydraulic powered roof supports for Durban Navigation Colliery for installation on a longwall face with a seam thickness of four feet.

TURKEY

£2m. sulphuric acid contract

SIM-CHEM, Stockport, has been awarded a contract worth £2m. for the supply, erection and commissioning of a sulphuric acid plant at Iskenderun, Turkey.

The contract was received from Woodall-Duckham, Crawley, as part of this £10m. main contract to build fertiliser plants for Gubre Fabrikalari.

The sulphuric acid plant design will be based on roasting pyrites using the BASF turbulent layer process and then converting the SO_2 gas by the Sim-Chem/Monsanto contact sulphuric acid process. The plant will have a capacity of 710 tons a day.

Design work has already started and commissioning is expected towards the end of 1973.

Sim-Chem is a Simon Engineering company.

A training contract worth £130,000 has been awarded the Southall based International Aeradio by the Government of Oman.

Omanis will be trained in technical operation maintenance for Muscat's new airport now being built at a cost around £4m. IAL will also provide expatriate technical staff.

Sheffield decides on go-it-alone trade bid

IN AN attempt to capture a share in the Swedish and other Scandinavian markets, Sheffield is to take part in an international trade fair in Gothenburg in May.

It will be the biggest overseas trade venture by any British city with the corporation and local industry working with the blessing of the Board of Trade.

The city's publicity officer Mr. Peter Wigley said that the display, alongside those of major nations, had three objectives—to develop new markets for local industry, to focus attention of overseas companies on Sheffield as a place for development—and to encourage more tourists to the city.

In conjunction with the Tor Line shipping company it is hoped to bring some 60 visitors from Sweden to Sheffield for week-end package tour visits. Local companies will be able to exhibit in the 420,000 square feet display area at a nominal cost of under £150 each. Companies producing steel, cutlery and silverware are particularly invited to take part.

The plan is the forerunner of others in Germany, France, Belgium and possibly Italy and there is also a scheme for promotions in America next year.

European News

Russians urged to economise

By Michael Simmons, East European Correspondent

THE SOVIET authorities' concern that more economic use should be made of installed capital equipment and that forward planning for new projects sbould be improved is sharply underlined in the reports, just published in Moscow, of tha Party Politburo's consideration of the draft Five-Year Plan.

The reports also draw attention to the need to save money at all levels for new projects and, indirectly, to re-build and renovate rather than introduce new plant. They also urge that mechanisation and automation abould be stepped up "in all sectors of the national economy."

In addition, note is also taken—though, once again, indirectly—of the shortages that exist, particularly in the food sector, at a time wben the planners have promised to Improve Soviet living standards. "During tha discussion on the Plan," said a *Moscow* bome service broadcast, "the paramount importance was again stressed of a further npsurge in agriculture to satisfy more fully the demanda of the people for food products and of the manufacturers for raw materials."

The Party warns the Ministries, at national and repnblican levels, to economise more stringently, to ensure that better use is made of available reserves, and to improve the management—both of the production line and the work-force itself. A further strengthening of "state and labour discipline" is called for.

The note of urgency in the reports will not comfort bard-pressed managers who are constantly exhorted, despite admissions of poor raw material and eqnipment supplies, to increase output. The consumer awaiting the promised better deal is also reminded that this could only be achieved through stricter "discipline."

But broadly the embpasis reflects the pre-occupations of the leadership that have been apparent ever since the first outlines of the Plan were published. At the Party Congress last April.

Belgium will not order mass expulsion

By Our Own Correspondent

BRUSSELS, Oct. 18.

BELGIUM will not order a maas public expulaion of Soviet diplomats on British lines in spite of the disclosures of a Russian trade official wbo defected to the west from Brussels two weeks ago. This was made clear in a Foreign Ministry communiqué issued here to-day, which for the first time officially confirmed that the official, 38 year old Mr. Anatoli Tcbebotarev had sought asylum in the U.S.

The Foreign Ministry admitted that ibe information supplied by Mr. Tcbebotarev wonld be useful in completing inquiries into Soviet espionage activities in Belgium already underway. But it said that tbe matter would continue to be dealt with via diplomatic cbannels, end "without publicity."

Thus although it is now virtually certain that various Soviet officials currently in Belgium will be discreetly asked to leave, or alternatively recalled to Moscow, tbe Belgian Government is doing its utmost not to sensatlooalise tbe affair.

Belgium ia in a particularly delicate position. It is host country to the headquarters of NATO aod SHAPE, and must be seen to be protecting their securities. To-day's communiqué stated that the Government would not tolerate any activity that might endanger Belgian security or that of the international organisations situated on its territory.

On tbe other baod, M. Pierre Harmel, the Foreign Minister, is one of the leading Western advocates of détente with the East bloc. In addition, Belgium ia the country that has been specifically charged by tbe alliance to prepare the exploratory visit of former NATO secretary general Manlio Brosio to Moscow

WASHINGTON—The U.S. State Department announced on Monday that Mr. Tcheboratev was in the U.S. after having been granted political asylum.

Banks criticise Bonn for failing to find 'European solution'

BY MALCOLM RUTHERFORD

BONN, Oct. 18.

THE WEST GERMAN Government came nnder beavy criticism to-day from the Federation of German Banks for failing to make greater efforts to reach a "European solution" of the international monetary crisis, and for allowing Germany to appear as the "troublemakers" on the European monetary scene.

Dr. Alwin Mueochmeyer, the federation president, told a Press conference that the task of European unity was so important that Germany would have to accept measures which it basically disliked in order to bring it about. Ha made it clear that he meant a degree of exchange control to prevent speculative capital movemants which was always unacceptable to Prof. Schiller, the Economics Minister.

Dr. Muanchmeyer said that the question of exchange rates need only be a part of European negotiations for a common solution. Just as important was the creation of new instruments to prevent monetary disturbances. When the Common Market and perhaps Britain as well had agreed on this, and set their parities in a new and lasting relationship to each other, they could begin negotiations with third countries over a new monetary system and a worldwide currency realignment.

Dr. Muenchmeyer also called for an end to floating, but admitted it could not come overnight by a unilateral D-Mark revaloation. In this case, the Bundesbank must resort to "dirty" floating to keep the revaluation premium down. The criticism that tbe Government is not doing enongb to co-operate with France is an old theme of German politics, and is coming to dominate the monetary debate as the two countries continue to disagree on monetary questions. It is understood that Prof. Schiller bas also been criticised in Cabinet for failing to be more conciliatory to Paris.

To-day concern about the effects on France was reflected in the first comments on the reports that the U.S. is considering exempting West Germany from the full effects of the 10 per cent. import surcbarge. Although an Economics Ministry spokesman this morning welcomed the reports, Herr von Wechmar, the Government spokesman, said later the Government bad called for a full text of the American statements and could not comment until it had studied them. The reaction from Dr. Muenchmeyer and the Banking Federation, bowever, was notably unenthusiastic and there was a clear feeling that any bilateral U.S.-German arrangements would binder a "Euorpean aolution."

OECD will go ahead with trade committee

BY ROBERT MAUTHNER

PARIS, October 18.

MR. EMILE VAN LENNEP, the OECD Secretary-General, intends to go ahead with the setting up of the high-level trade committee agreed in principle at a ministerial meeting last June, in spite of a continuing dispute abouts its membership.

Following objections by Italy and Holland against their initial exclusion from the committee, these two countries have finally been allowed to participate. This brings the total membership to 12, including its independent chairman, M. Jean Rey, and a representative of the Common Market Commission.

Far from settling the issue, bowever, tbe admission of Holland has now provoked Denmark into proposlog an extenaion of membership to all OECD members, a step which would rob the committee of mucb of its effectiveness.

Mr. van Lennep, convinced that if the committee does not start work soon it will become a dead letter, has therefore obtained the agreement of all the other interested countries to bold a first meeting in Paris next week-end. The question of its final composition will, bowever, remain on the agenda of the Organisation's Council of Ministers.

The Secretary-General's action bas aroused tbe anger not only of Denmark but other small members of the OECD, in whicb decisions must normally be taken unanimously. These countriea point ont that such a decision wonld never bave been taken if one of the major members had voiced its opposition, and they regard it has yet another example of a growing trend in international affairs to override the opinions of the less powerful nations.

One of the major tasks of the committee, which is being set up on American initiative, will be to study waya and means of safeguarding free trade by breaking down non-tariff harriers to prevent, if possible, the proliferation of preferential trading areas and try to mitigate some of the worst protective elements of the Common Market's farm policy.

TITO TO MEET CEAUSESCU

By Our Foreign Staff

PRESIDENTS Tito of Yugoslavia and Ceausescu of Romania will meet next month, according to the Yugoslav news agency Tanyug yesterday. The meeting may be to plan the reception for Chinese Premier Chou En-lai who is expected to visit the Balkans early next year.

Romania will become the 80th member of the General Agreement on Tariffs and Trade on November 14, a spokesman for the organisation said last night in Geneva.

Comecon joint income up by 42.5% in 5 years

BY A. H. HERMANN

THE AGGREGATE national income of Comecon countries, haa increased in the last five years by 42.5 per cent., according to the report for 1970 published by the Moscow secretariat of the organisation which includes the Soviet Union and the six Eastern European members cf the Warsaw Pact plus Mongolia.

Another claim made in the report concerna the expansion of Comecon'a economic relations with developing countries in Asia, Africa and Latin America. The Comecon secretariat answers the doubts about the efficacy of Communist economic aid by stating that of the 2,400 projects sponsored more than half are now operational.

The cleimed growth of national income would bring Comecon's share of the world total from 24.3 to 27 per cent. Calculation of national income figures is, however, greatly infinenced by tbe methods adopted, so that world-wide comparisons are often misleading. Comecon's economic growth seema to be more realistically reflected by the figures for industrial output, reported to bave risen by 49 per cent. between 1968 and 1970. Four-fifths of this increase are credited to improved productivity and the rest to new investments.

The aggregate foreign trade of Comecon countries increased in 1970 by 13 per cent. and by 54 per cant. during the five-year period. Intra-regional trade now represents 60 per cent. of the turnover and is planned to increase by balf during the next five years.

Spain talks trade with E. Europe

MADRID, Oct. 18.

TRADE talks between Spain and Eastern European countries will be accelerated this autumn in the wake of tbe recently signed trade and economic agreement. A mission of Spanisb shipbuilders is going to Russia and, at least six Spanisb and Comecon business committees will meet between now and tbe end of this year.

According to tbe Spanish Cbamber of Commerce, some of these talks will be beld in Romania, Poland, Czechoslovakia and Hungary and will be followed up with visits to Madrid and Barcelona by Eastern European represeotatives.

Altogether, Spain sold about £28.36m. worth of products to Eastern Europe last year as against £27.76m. wortb of imports.

Agnew official Greek visit over

BY OUR OWN CORRESPONDENT

ATHENS, Oct. 18.

.S. VICE-PRESIDENT Mr. Spiro Agnew to-day wound up the official part of his visit to Greece during which he had the opportunity to discuss NATO matters, Greece'a military requirements and the poaition of the U.S. Governmeot towards the Greek military regime. During his three-day official visit Mr. Agnew had seven hours of talks with the Prime Minister George Papadopoulos including an unscheduled two hour private meeting at the Premier's bouse on Sunday.

Although official statements said that tha talks concerned Greece's role in NATO and mutual defence problems there has been apeculation the sensitive subject of Greece's internal politics and a return to parliamentary rule were touched on.

Both Greek and Americao sources have conceded that the issue of restoring parliamentary rule to Greece was directly related both to Greece'a NATO membership and the question of U.S. military aid to Greece. The American Congress recently moved to cut back the $118m. in military assistance the Nixon Administration wants to seod to Greece this year.

In his toasts Mr. Agnew made velled references tothe virtues of democracy. Observers are convinced that dnring his private talks Mr. Agnew urged the Greek leadership on President Nixon's behalf to give a more definite timetable for Greece'a return to a representativa form of Government. He is reported to have explained that with such a commitment Congress would more readily approve the military hardware Greece must have if it is to function properly as a NATO member.

To-morrow Mr. Agnew and bis wife begin a four-dey private visit to Greece including a five-hour stay at his ancestral town of Gargaliani in the aouthern Peloooonnese. Premier Papadopoulos and the two other members of hte military triumvirate will accompany him on this trip, which was to be a orivate affair. Mr. Agnew's visit had been exploited by the Government as a gestura of solidarity.

Italians expected to offer aid to Malta

By Our Own Correspondent

VALLETTA, Oct. 18.

ITALY is expected to make an offer of aid to the Maltese Premier, Mr. Dom Mintoff, on Thursday when the Italian Depnty Prime Minister, Professor Francesco de Martino arrives here to negotiate a deal which would allow Italian warships to use Maltese port facilities in the future.

The importaoce Italy attaches to the negotiations with Malta is borne out by another visit which the Italian Foreign Minister, Sig. Aldo Moro, will be paying Mr. Mintoff in the very near future.

Mr. Mintoff has publicly stated that relations with Italy have greatly improved recently. Other NATO countries have been asked to make aid and economic offers within three months. Germany has already given Malta technical aid in the form of army and police trucks and helicopters to fight contraband.

Malta hopes that Italy will cancel the island's £2.5m. deht to Italy which went for the building of a power station and an automatic telephone exchange.

NEW CZECH ENVOY FOR U.K.

By Our East European Correspondent

Dr. Miroslav Zemla has been appointed Czechoslovak Ambassador to Britain. He aucceeds Dr. Miroslav Ruzek, wbo has been appointed Deputy Foreign Minister.

IRISH RAILWAYS

Time for an overhaul

BY DOMINICK J. COYLE, DUBLIN CORRESPONDENT

THE IRISH State transportation network, Córas Iompair Éireann (CIE), has one great claim to fame: it was the first fully dieselised rail system in Europe. Increasingly in recent years, it bas developed a much less envlable reputation by demonstrating a marked tendency to push up its annual losses at a much faster rate than the Government is prepared to increase its operating subsidy. The net loss was more than £3m. in 1969-70; it exceeded £6m. last year on a turnover from ell aervices up by 8 per cent. to £37m.

This is not quite the end of the line, but the Government plainly got the message that a major junction lies ahead. The time had come for a detailed look at the system and its finances and (even more so) to define the role of public transport in the changing Irisb environment. Since there was not a Beeching in sigbt—CIE hes not been remarkable for attracting top management personnel—the task fell to McKinsey and Co. The management consultants' report is now out, the trade unions are already in with their "no redundancy" demands, and the Government itself is right in the middle with the inevitable bolding statement tbat recommeodatlona will be considered "after consultation with intarests concerned."

The firat thing to say about the McKinsey report (apart from its seemingly exorbitant price of £3 a copy) is that it promises little immediate conaolation to the taxpayer and even less to most rail users. The prescription is marginally to trim the existing rail losses by a hoped-for £1m. annually, principally by a combination of furtber closures—both passenger and freight—and by attracting more customers to the commuter services through better and more efficient services. Otherwise, there is a suggestion that the manner of paying most of the State subsidy sboold be altered ao as to make explicit the relationship between the aocial value of a service and the price to be paid for it.

The second aspect of tbe report, and one which the McKinsey team has certainly bighligbted, is that CIE's main financial problem involves under use of the rail network with its 212 diesel locomotives, aome 9,500 wagons and a labour force of close on 10,000 men. On the freigbt aide, four out of every 10 atationa througbont the network bandle, on average, only one loaded wagon eacb working day. The passenger situation is bardly less encouraging: almost 40 per cent. of all stations last year aold less than £10,000 worth of tickets, barely sufficient to cover tbe associated costs Involved.

The commuter services in the Dublin and Cork areas are also loaing money, but McKinsey reckons that their social benefits more than justify the losses. Tbese commuter rnns are still inefficient, and it ia recommended that they be developed to play the maximnm role possible in belping to overcome present urban congestion problems. This will entail sizeable capital expenditure (the World Bank is suggested as a possible sonrce of finance for a major reorganisation programme) on new rolling stock.

CIE Rail Revenues and Costs (Years ending March 31)

	1956	1966	1968	1970	1971***
Passenger revenue (£m.)	2.63	4.09	4.477	5.588	5.977
Freight revenue (£m.)	4.05	5.062	5.599	6.178	6.507
Total revenue (£m.)	6.74	9.3	10.2	11.9	12.55
Total cost* (£m.)	7.96	11.05	12.4	15.0	17.28
Loss* (£m.)	1.2	1.8	2.2	3.1	4.7
Average receipt per passenger-mile (p)	1.16	1.21	1.32	1.55	1.65
Average receipt per ton-mile (p)	2.27	2.2	1.90	2.08	2.2
Operating ratio**	84.5	84.5	82.5	79	72

* Before financial charges
** Ratio of total revenue to total cost (before financial charges)
*** Estimated results
Source: McKinsey Report

In this context tbe management consultants have isolated a number of problems which CIE could have discovered for nothing simply by asking tbeir regular commuters. These are:

Carriages have few doors, which leads to lengthy stops at stations because of delays in loading and unloading passengers;

The proportion of standing to sitting accommodation is low, tbus greatly reducing tbe carrying capacity of existing trains;

Tbe poor acceleration wben trains are fully loaded results in increased journey times, especially wben there are many stops.

Existing trains are proving very costly to maintain and repair. Overall, bowever, CIE's problem is the nature of the area in whicb its operates. Ireland'a low population density is not conducive to sustaining a profitable rail network, and tbe position ia aggravated for any national carrier by what the McKinsey team calls the country's "limited and localised industrial cepacity and the preponderance of short-hauls."

The application of strict commercial criteria would, of course, reduce rail and road services tn a fraction of their present level, but it must remain tbe duty of Government, in conjunction witb the CIE management, to decide where such a commercial approach ends and social considerations begin. This ia not a task for consultants, altbough it migbt have been of political advaotage to the Government if McKinsey had been prepared to spell out precisely which particular rail and bus aervices sbould get the cbop.

Tbe report falls short of naming names, but it does contain a number of pointed suggestions. The Government is still left with the decision on which lines to cloac, and it is difficult to see how such action can be taken in isolation. The much wider issue of regional development policies following publication of the detailed Buchanan Studiea remains unresolved after more tban two years, and the link betweeo the two questinns is obvious.

McKinsey has shot holes in tbe widely-accepted notion that most uneconomic transport services tend to be in tbe sparaely-populated western counties. A number of uneconomic services, are, in fact, in areas wbicb can reasonably be expected to get a new lease of industrial life in the wake of EEC entry.

Wbether CIE's management can get a badly needed shot of extrepreneurial spirit from implementation of the McKinsey recommendation on a new subsidies policy is another question, but the odds are that it would help morale. The present pattern of operations guarantees recurring deficits and a climate in which success has something of a negative rating. A policy of merely containing or at best marginally reducing aizeable losses does very little to attract bright new recruits to tbe company.

Wbatever tbe administrative inconveniences involved, the Government may now feel it would be wise to accept and implement the principle that State subsidies should be clearly and (where posaible) apecifically allocated.

Spend more on industry research Heath told

A WARNING to Mr. Heath to put more money into industrial researcb and development or lag behiod the Common Market countries, is given to-day by the Institution of Professional Civil Servants.

The Six—particularly Germany—were increasing financial support for industrial research, it adds.

Mr. Heath is asked not to bandicep British industry competing with the Common Market countries by giving less support.

It is clear industrialised countries are giving massive support to the development of tecbnology, both civil and military, by various means, says the Institution.

In the past support for researcb had been lopsided—concentrating on defance, aerospace, electronics and nuclear power. "Yet the machanical and engineering industries, which contribute much more to the balance of payments, bave been comparatively neglected."

The civil servants' views ere in a booklet: The Role of the Government's Industrial Researcb Establishments in the 1970s.

Demands

The booklet rejects the notion that the sole purpose of Industrial researcb establishments must be to pay their wey. It analyses the different demands made on them by the Government on behalf of the community (for instance in tackling the problem of industrial pollution) and on behalf of industry (for instance, the national standerds work carried out by the Natioosl Pbysical Laboratory), and by individual companies.

It sees scope for increasing the amount of work dooe for, and with, individual companies on e contractual basis. But it would also be necessary for directors of establishments to be given much greater powers to develop this kind of work where possible and to encourage them to charge for it depending on the circumstances.

The Institution also urges tbe Government to make it easier for staff to interchange between its research establishments, industry and the universities.

A call is made for an end to the recurring reviews to which researcb and developmant establishments are being subjected, in some of which there had been three major reviews in eight years wth four major departmental reorganisations.

Resignations to-day by Art Panel members

ALMOST the entire 24-member Fine Art Panel of the National Council for Diplomas in Art and Design bas decided to resign in protest at Government policy over art colleges. The resignations, to be announced to-day, are a demonstration against the Government's policy of merging independent art colleges with the new polytechnics.

Twenty-one panel members—among them principals, heads of department, and lecturers—are to resign. The chairman, Mr. Martin Froy, is expected to announce his resignation separately later.

The resignations reflect concern about the long-term effects of tha merger policy, wbich has been going on for some years.

Guernsey flower transport plan delayed

BY OUR OWN CORRESPONDENT GUERNSEY, Oct. 18

A STATUTORY flower transport authority expected tn be ioaugurated in Guernsey by the end of tbis month may not now be operstional until December—perhaps too late for the island's flower exporters' Christmas "boom."

Ordinances giving the proposed autbority its "teeth" are not ready for this month's meeting of the Guernsey Parliament. Its next meeting is on November 24.

Cheaper

The suthority, which bas the blessing of parlisment, will export all the islsnd's £4m.-a-year flower crop to the U.K. The authority sims to provide cheaper and faster deliveries and reduce an estimated annual loss to the industry of over £250,000 from delays, damage and pilfering.

Despite opposition, the transport sub-committee of the Guernsey Growers' Association, is pressing shead witb detailed planning which would eliminate British Rail's export business of 1½m. flower boxes s year and give s single eirline sole rights to export Guernsey flowers almost exclusively to Castle Donington.

British sirlines feared the contract would be awarded tn Rousseau Aviation—a French company—with no base or aircraft in Guernsey and no Air Transport Licensing Board licence for such s service.

However, the Guernsey Growers' Association has since said it has been in touch with ten different airlines.

A oew competitor may well be Sagittair, which is to epply to the ATLB for o freight licence to operate from Castle Donington and London to Guernsey aod Jersey to be effective from "the earliest possible date."

Sagittair, which is not yet estabIIsbed in Guernsey, has been operating for 18 mouths with tbree Beech aircraft and two Argosy freighters.

Complaints

Opposition to their epplication is expected from at least BEA and BIA who have indicated they will fight to retain their existing flower export business from Guernsey.

Guernsey's Chamber of Commerce is investigating complaints from transport company members about the way in which the Growers' Associetion has handled the preliminaries. The complaints allege there has been e lack of consultation either with the growing industry or with existing carriers.

Changes in Tomato Board constitution urged

GUERNSEY, Oct. 18.

GUERNSEY'S horticultural committee, which overlords the island's £13m.-a-year tomato and flower growing industry, wants the local parliament to sgree on October 27 to ebanges in tbe legal constitution of the Tomato Marketing Board.

The changes would allow the producer-controlled Board to enter sgreements for the bulk purchase of various commodities required by the industry so that savings could be passed on to individusl growers.

Its first target is clearly fuel oil, wbere costs have risen, says the committee, by £717,000 since June, 1970. In that year, 34m. gallons were consumed sgsinst only 3m. in 1956.

The committee's president—grower Mr. Francis Le Poidevin—bas stressed that st this stage only parliamentary sgreement in principle is required. Details of bow the bulk purchasing system would operate would be explained later when Ordinances were laid before Parliament.

The move, which has been nnsuccessfully tried in the past, would help turn the Tomato Marketing Board into a proper co-operative and make tha industry more competitive, be says.

Opposition

Opposition is likely from the three existing fuel suppliers who are watching developments. Some of their executives are concerned about the eventual award of a mooopoly supply cootract.

The island's fuel market is shared by Shell-Mex and BP operating through Foel Supplies (CI), Esso, and Sarnia Oil.

£2½M. INDUSTRIAL ESTATE PLAN

Worsley Urban Council has entered into partnership with Arrowcroft Investments, the Mayfair-based development group, for a £2.5m. industrial trading estate at Little Hulton, near Mancbester. Site area is about 25 acres and some 500,000 square feet of industrial and werehousing premises will be erected.

Construction of 33,000 square feet of advanced units will start almost immediately, and when the project is completed it will provide "several hundred jobs," it was announced.

MILDENHALL SCHEME STARTS

Work began yesterday on the redevelopment of Mildenhall Town Centre.

When it is completed in just under two years' time Mildenhall, a London overspill town, will possess a supermarket, restaurant, 16 shops and offices in a series of linked courtyards where only pedestriens will be allowed. An agreement for the scheme has beeo signed by the rural council and the developers, Rocday Properties, of Old Market Street, Thetford.

هكذا عند الأصل

Other Overseas News

Foreign investors become net sellers on Tokyo SE

BY OUR OWN CORRESPONDENT TOKYO, October 18.

FOREIGN investors have become net sellers on the Japanese stock market, with sales over the past two weeks totalling about $20m. more than purchases, according to officials of the Tokyo stock exchange to-day.

Until the first of this month, foreign investors had been buying more than they were selling. Exchange authorities revealed the new trend during to-day's Tokyo meeting of representatives of local city banks and securities houses under the sponsorship of the Federation of Bankers' Associations of Japan.

Selling by foreign investors has been increasing over the last few days. More than 25m. shares were unloaded by foreigners during the last three days of this past week, for example, market specialists reported that the American investors appear to be leading the bear trend.

Gilt-edged issues are chiefly being sold off, with other types of securities following. "The bear psychology seems to be catching on among the foreigners," said one market authority. The phenomenon has been attributed to three basic factors:

1.—Poor prospects of an early recovery from the 15-month-old semi-recession and the troubles Japan currently seems to be facing in exporting its surplus in the American market.

2.—Steadily rising value of the yen against the U.S.$ on the still-controlled Tokyo foreign exchange market (now about 9.15 per cent. in upward revaluation on the IMF formula), and

3.—Expectation of an official upward revaluation of the yen at a rate of 10 per cent. or more in comparison with the U.S.$.

Financial circles

Tokyo stock exchange specialists believe that foreign investors are switching their funds to European and American markets and that the trend will continue along the present lines for some time to come, particularly since the percentage rise in the floating exchange rate of the yen seems to be approaching that of the D-Mark.

Financial circles in Tokyo believe that the Bank of Japan intends to intervene only to prevent the yen from being revalued upward by more than 10 per cent. against the dollar.

As of October 8, the D-Mark was 10.47 per cent. above parity and the yen was up 8.18 per cent. But last Friday the D-Mark was down to 9.75 and the yen was up to 9.27 with the dollar quoted at less than 330 yen. As matters now stand, it appears that Japan's excess of dollars from the nation's continuing payments surplus may keep pressuring up the yen.

Most observers here feel certain that the yen will soon gain in value to the point where it passes the D-Mark. According to Finance Ministry and Central Bank authorities, this is unavoidable since the rise in the value of the D-Mark stems mostly from the inflow of short-term foreign capital while the gains registered by the yen result from Japan's heavily favourable payments balance situation.

In the meantime, both the Finance Ministry and the Central Bank are under pressure from Japanese business interests to revalue upwards unilaterally. A new parity of about 320 yen to the dollar or a final revaluation of around 12.5 per cent. is suggested.

Bid to curb S. Africa's imports

BY OUR OWN CORRESPONDENT JOHANNESBURG, Oct. 18.

IN A BID to slash the currently high level of imports, South Africa's Minister of Economic Affairs, Mr. Louwrens Muller, to-night warned traders not to import more than they immediately needed. If the Republic were forced to tighten import control, he explained, those importers applying for excessive permit allocations could find themselves at a disadvantage.

"It is quite conceivable that any future reduction in permit issues, should this be forced on South Africa by exceptional circumstances, will be related to domestic sales of our own goods, instead of (as is presently the case) import performance during any particular base period," he said.

This is a clear warning that those traders presently selling imported goods at the expense of local products could have their import permits reduced disproportionately in the event of a general tightening of import control.

Mr. Muller, who was opening the annual congress in Durban of the Association of Chambers of Commerce of South Africa, stressed that the Republic could not intensify import control without falling foul of its GATT obligations. But "if South Africa should, as a last resort, apply measures to intensify its remaining import restrictions in order to arrest a serious decline in its reserves, it is more than likely that the reduced permit allocations will not be based on the import performance of individual traders during any previous period."

In 1969 South Africa disinvoked article 12 of GATT which allows import control as a measure to protect a deteriorating balance of payments position. Since then, however, Pretoria has stressed that import control would not be dismantled completely until such time as greater tariff protection could be negotiated. Meanwhile, the current account of balance of payments has deteriorated dramatically, and it has only been an unprecedented inflow of foreign capital, including Government loans, that has prevented the reserves from plummeting to crisis level.

African leaders discuss dialogue

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

OPPOSITION to dialogue with South Africa and renewed dedication to the goals of regional economic co-operation are the main subjects at the summit conference of 14 East and Central African states which opened yesterday in Mogadishu, capital of Somalia, yesterday.

At their three day meeting, the Heads of State and other delegation leaders have before them two draft resolutions, one condemning South Africa's alleged aggression against Zambia earlier this month and the other urging more support for African liberation movements. Extended regional economic co-operation, backed by the Economic Commission for Africa and, in part, envisaging an enlargement of the East African Economic Community, are also due for discussion.

However, the conference may well turn out to be as important for what it achieves "in the corridors" as in formal sessions. Only five Heads of State are present—Congo-Brazzaville, Tanzania, Sudan, Somalia and Ethiopia—but the presence of Emperor Haile Selassie on his first visit to Somalia could well result in the regulation of the long standing dispute between the two countries.

Sudanese President Nimairi, whose country has in the past aided Ethiopian dissidents, may also join a discussion of general security in the area.

The conference is one of a series held in East Africa over the past few years. It was at their 1969 meeting that the group produced the Lusaka Manifesto, which laid down that talks with white-run regimes in Southern Africa could only take place on the basis of the recognition of full equality of peoples no matter what their colour. Subsequently adopted by the Organisation of African Unity and the U.N. General Assembly, the Manifesto is likely to be re-affirmed in Mogadishu. Present (in addition to the Heads of State) are representatives from Kenya, Zambia, Uganda, Burundi, Congo - Kinshasa, Malawi, Ruanda, the Central African Republic and Chad.

U.K. £8.5m. relief help

BY OUR FOREIGN STAFF

BRITAIN is making a further contribution of £7.5m. for the relief of refugees from India in East Pakistan, and another £1m. for relief in East Pakistan itself. These measures were announced yesterday in the House of Commons by the Foreign Secretary, Sir Alec Douglas-Home.

The latest donations brought the total British official contribution for East Pakistan refugees in India to £14.75m. and for relief in East Pakistan to £2m.

Of the 50 countries which have contributed to refugee relief in India, Britain comes second behind the U.S. and has given nearly a fifth of the total in cash and kind.

Warplanes from U.S. sent to Pakistan

By Our Own Correspondent

BEIRUT, Oct. 18.

...WENTY-FIVE U.S.-supplied ...ilitary aircraft have arrived ... West Pakistani air bases from ...audi Arabia in the last 10 ...ays according to high-ranking ...akistani diplomatic sources ... the Middle East. The ...ources said the aircraft had ...een supplied to the Saudi air...orce under arms contract with ...he U.S.

...big Pakistani air training ...ission is working with the ...audi airforce, and the sources ...tressed that the aircraft were ...eing flown by Pakistani pilots ...nd were presumably being ...oaned to the Pakistani Air ...orce. The sources added this ...hould be seen as an act of ...olidarity by the Saudis when ...akistan was under pressure.

...anwhile, all Pakistani air and ...ilitary training missions and ...dvisers to Arab countries are ...n stand-by to return to ...akistan within an hour's ...otice according to Arab mili...ary sources in the Middle ...ast. Pakistan has air train...ng missions in Libya, Jordan ...nd Syria as well as Saudi ...rabia.

...ndia 'does not ...want war' ...but...

NEW DELHI, Oct. 18.

...E INDIAN Prime Minister, ... Indira Gandhi, said to-day ... India did not want war with ...istan but had to be prepared ...meet threats coming from that ...rter. Informed sources said ... Gandhi made this clear in ...s lasting more than two hours ...ay with President Tito of ...oslavia.

...he said India had taken only ...ensive precautions and had ...sic military movements only ...r offensive moves by Pakis... evacuation of border areas ... the launching of a "crush ... campaign.

...rs. Gandhi told the President ...ia could not keep the more ...9m. East Pakistani refugees ...long. She rejected as base... Pakistani charges that India ...sent infiltrators into East ...istan. There were some ...000 guerillas fighting for an ...ependent Bangla Desh, she ...

... was believed this was the ...line the Indian government ... spoken of such a high figure ...guerillas, consisting of 50,000 ...ner members of the Pakistan ...y or para-military organisa...s and 100,000 young volun...s.

...he sources said the Prime ...ister impressed upon Mr. Tito ... India was only involved in ... crisis because of the influx ...efugees. Reuter.

AUSTRALIA

Labour makes a bad start

BY MICHAEL SOUTHERN, AUSTRALIA EDITOR

ONE CANNOT help recalling that phrase of Mr. Harold Wilson about a week being a long time in politics while watching the changing fortunes of Mr. Gough Whitlam, leader of the Australian Labour Party. A week ago, Mr. Whitlam headed what appeared to be a united and solid group, a viable alternative government to the strife-torn Liberals of Mr. McMahon and, most of all, a party that had shifted its thinking from the narrow confines of cloth-capped left winger tradesmen—who for years have dominated Labour in this country—to middle class radicalism.

But that is all gone now. The image died during the first two days of a campaign launched by the party in a non-election year through which it hoped to sell itself to the electorate, to spell out in detail its policies on labour, defence, immigration and the like, and test the reaction of the public in time for the real thing next year. The six week campaign is continuing, in spite of the disastrous start. But what has gone wrong?

A week ago Mr. Whitlam and his Labour "shadow" minister Mr. Cameron, held a Press conference in Sydney to launch the campaign with their industrial policy. By Monday night, it was hailed as a great success. Press reaction was favourable, commercial radio stations gave Mr. Whitlam prime time during the day to talk about policy, and the ABC's nationwide "Monday Conference" programme was given over to Mr. Whitlam and two journalists to explore and explain the new thinking.

Dissent

The policy itself showed a few shifts in Labour thinking, and one significant departure from previous policy. With strikes such a current and burning issue (this could still be the issue for the next election), Mr. Whitlam made it clear that his government would impose penalties of \$A20 a day on unionists and \$A200 a day on companies if they broke voluntary agreements. And that is where the trouble started. Hard on the praises that his policy brought in the Tuesday morning Press came the news that the unions were not only opposed to such policies, but would in some cases simply withhold their dues to the party until it was changed.

This was followed by dissent in the Parliamentary Labour Party which, among other things, indicated that it should have

Gough Whitlam

been consulted first on such a change in policy. For the ALP has always contended that policy making is a corporate affair, and not a process of having decisions from the top forced downwards as is so often the case with the Liberal Party. Further, the party elects the men who will form the Cabinet, and the leader allots portfolios as he wants. With the Liberals, Cabinet posts are handed out and changed at the Prime Minister's whim. So come Wednesday, Mr. Whitlam found himself facing a hostile Parliamentary Party caucus which was to prove significant in changing the image of the party.

For a start, Mr. Whitlam was told that the policy he had outlined was not acceptable, and so, it was dropped. He was warned that he ought to consult the party more before making such speeches, and indeed, that unless he toed the party line, he would be replaced as leader. At the same time, attacks were made on some of the peripheral policies that Mr. Whitlam has been discussing: things like abortion and reform of the law on homosexuality. He was told to forget about these things, and concentrate on "bread and butter matters."

The real significance of all this, however, was that it showed quite clearly that the unions are still in charge of the ALP, and not the new crop of middle class radicals like Mr. Whitlam (he is a QC). This meeting demonstrated that the middle class radical alliance to the conservative working class is not complete. This has always been the great obstacle to success for the ALP—a widespread feeling among the electorate of fear of the cloth-cap working man syndrome that is the history of the Labour Party. Until this incident, this image had been forgotten. Now, it has given the Government and others who are opposed to Labour a chance to agitate on that old issue.

It is even more unfortunate for both Mr. Whitlam personally and the party as a whole. This is the first time since the Liberals won power in 1949 that Labour has looked like winning an election. So strong has been the feeling of change that businessmen and industrialists, either individually or in their industry groups, have instituted a round of talks, dinners and discussions with the leaders of the Parliamentary Labour Party, and the prospective cabinet to get to know them, exchange views and ensure that each side is aware of the problems and ideals of the other.

These talks will undoubtedly continue. The one ray of hope comes from a few senior Labour members who, in the interests of maintaining unity and winning the next election, are prepared to close ranks. Dissent, however, still remains among men like Mr. F. Daly, for a long time "shadow" immigration minister whom Mr. Whitlam fired this week because of their disagreements on migration policy (evolving around coloured immigration which Mr. Daly firmly opposes). The two men have never found many points on which they could agree, and Mr. Daly is clearly going to continue his open criticism of Mr. Whitlam as often as he can.

Meanwhile, on the other side, the Government has been making as much as it can of this difference. It has also been trying to show the electorate that there is a relationship between the mounting number of strikes and the Labour Party. It has been suggested on several occasions that strikes, law and order and the "who runs the country" issues could well be the deciding platform for the next election. Strikes in particular have now taken on political overtones.

Divisions

It has also given the Government a chance to cover its own divisions and shortcomings—and these still exist as we saw on Wednesday when former Prime Minister Mr. Gorton told the House of Representatives that the current Minister for the Environment, Aboriginal Affairs and the Arts, Mr. Howson, had deliberately misled the House by presenting inaccurate figures over a proposed film school which was dear to Mr. Gorton and is therefore anathema to Mr. McMahon. After this embarrassment, three former Gorton ministers, ex-Attorney General Mr. Tom Hughes, ex-Navy Minister Mr. Bruce Killen, and another ex-Navy Minister, Mr. Kelly, each criticised the Government on various issues. This stand by Mr Gorton's supporters made it clear that the Liberal Party is still divided. Other pressures such as what to do with the Australian dollar (devalue or revalue) and, how to deal with the rural crisis are adding stresses in the coalition of Liberal and Country Party.

So, for Mr. Whitlam, this has been a long, long week. But at least he has the comfort of knowing that there will be many more long weeks between now and the election he dearly hopes, and needs, to win.

Insider dealing alleged in Australian company

BY OUR OWN CORRESPONDENT CANBERRA, Oct. 18.

MR. E. R. HUDSON, former chairman of Queensland Mines—discoverers of the Nabarlek uranium field—had manifestly engaged in insider trading in the company's shares, the Senate Select Committee on the securities industry was told in evidence to-day. Mr. M. R. L. Dowling, senior partner in the Sydney broking house, Patrick Partners, and a director of Queensland Mines, alleged to the Committee that it was a deliberate falsehood on Mr. Hudson's part to accuse other Board members of insider trading.

In his own opinion, Mr. Dowling said, the false accusations against other Queensland Mines directors was one step in "an attempt to conceal a lengthy and deliberate course of deception of his fellow directors and the public." In evidence before the Select Committee on October 8, Mr. Hudson, now a director of Queensland Mines, said that in late August last year his knowledge—later amended to "suspicion"—of insider buying by his directors made him feel it was essential to issue a statement about Nabarlek to protect other shareholders.

On September 1, three weeks before the first drill assay results were available, Mr. Hudson issued a statement that "indicated reserves" at Nabarlek were 55,000 tons. Last month, the estimate of reserves stood at 10,500 tons. Mr. Dowling said to-day he had had no personal dealing in the shares of Queensland Mines and Kathleen Investments (50 per cent. owner of Queensland Mines) this year or last year. Neither had the other directors, Mr. H. B. Ferguson and Mr. J. E. Roberts, who had authorised him to say so.

Mr. Dowling said he had given the Committee details demonstrating that no company in which he had an interest bought any QM or KI shares between August 27 and September 1, 1970 (the period specified by Mr. Hudson). But, he said, Mr. Hudson's own evidence disclosed that it was he who was guilty of insider trading.

The Australian Prime Minister, Mr. McMahon, will hold talks with President Nixon in Washington and Mr. Heath in London next month.

Iraqi leaders deny 'power struggle' talk

BY OUR OWN CORRESPONDENT BEIRUT, October 18.

IRAQ's two top leaders have denied allegations of a power struggle inside the regime, and accused "hostile forces" of spreading the rumours.

President Ahmed Hassan al Bakr said Iraq is run by "collective leadership" within the ruling Baath Party. Mr. Saddam Hussein Takriti, vice chairman of the Revolutionary Command Council, the highest authority in the state, emphasised: "I am not the number one man in the regime." He said President Bakr, with vested constitutional authority, was the top leader.

Both spoke in interviews with the editor of Kuwait's Daily Al Siyassh. The interviews have been reproduced by the official Baghdad Radio in what appeared to be a campaign to refute widely-spread speculations about struggle inside the regime that came to power in a military coup in July, 1968. The speculations insisted that Mr. Takriti was the regime's strongman, and that he was consolidating his position because of President Bakr's recent illness.

Both leaders said the removal from office a few weeks ago of Vice President Saleh Mahdi Ammash and Foreign Minister Abdelkerim Shaikhaly was not the result of a power struggle but was a change of functions inside the party leadership. "It was the result of self-criticism within the party," they said without elaborating.

Mr. Takriti announced that Iraq and Kuwait would soon conclude an agreement ending their border dispute. "With Kuwait, we will not calculate by the metre, because what interests us is for the territory to remain Arab whether it is in our hands or in Kuwait's," he added. But he insisted that concerning the border conflict with neighbouring Iran: "We shall calculate by the millimetre."

President Bakr had charged that the unilateral cancellation by Tehran two years ago of the treaty with Iraq on navigation in Shatt Alarab "was meant by Iran to seize part of our border area."

Mr. Takriti also declared that Iraq had no territorial ambitions in the Gulf region. "All we want is to see the Gulf remain Arab," he said and charged that "the Shah of Iran and his regime constituted the main danger to the Gulf."

PARLIAMENT

Question-time

Legal R-R row denied in Commons

By Our Parliamentary Correspondent

QUESTIONED in the Commons yesterday about the Rolls-Royce patents now held by the Government, Mr. David Price, Parliamentary Secretary for Aerospace, said: "It is quite wrong to suggest that there is anything of the nature of a major legal row."

He had been asked to comment on allegations that millions of pounds worth of royalties might be lost because of the way in which the Government took over the Rolls-Royce patents.

Mr. Price replied that the patents were transferred to the Government in order that their use should be safeguarded. Various consequential arrangements were now being worked out.

When asked about the position of the 10,000 or so worker shareholders of Rolls-Royce, Mr. Price assured the House that the Minister of Aerospace had got the problem "very much on board." But it would be difficult to make any further report until the Receiver and the liquidator had made a little further progress.

The RB-211 contract had been successfully renegotiated and Rolls-Royce (1971) Ltd. now had a programme of work which should maintain its position in the forefront of world aviation.

Mr. Michael Noble, Minister for Trade, said it was hoped to announce the chairman of the new British Exports Board very shortly.

Metrication

A "certain amount of confusion" over metrication was admitted by Sir John Eden, the Minister for Industry, when he stated that it was hoped to announce the publication date for the White Paper on the matter within the next few weeks.

When Mr. Peter Emery (Con., Honiton) warned that public opinion was very much against any direct action by the Government to force the use of metric measurements, Sir John commented that discussion would have to take place on the White Paper before there was any question of introducing a Bill requiring metrication.

Hotels

Mr. Robert Adley (Con., Bristol North East) called on the Government to press ahead with the implementation of the section of the Development of Tourism Act 1969 requiring the registration and classification of hotels.

Sir John replied: "I am consulting the Tourist Boards and other Departments concerned, and am awaiting the study commissioned by the English Tourist Board, which is expected to be available by the spring."

Inquiry rejected

Mr. R. Cant (Lab., Stoke-on-Trent Central) asked the Secretary of State for Trade and Industry if he would set up a tribunal of inquiry to investigate negligence and incompetence by his Department in the conduct of its regulatory duties in failing to inspect or investigate the affairs of Rolls-Royce Ltd. in January, 1970, when the IRC issued its report, and in failing to insist on seeing a complete copy of the said report.

Mr. Nicholas Ridley, Under Secretary, replied: "No, and the imputation is not accepted."

Soviet spy

Assassination was one of the duties of Oleg Lyalin, whose defection to Britain led to the expulsion of 105 Soviet officials, Sir Peter Rawlinson, Attorney General, disclosed.

"After Mr. Lyalin sought asylum there were substantial grounds for anxiety over his personal safety, enhanced by the fact that the duties of his department of the KGB also included the elimination of individuals judged to be enemies of the USSR. These anxieties remain," said the Attorney General in answer to questions on the withdrawal of a drunken driving charge against Lyalin.

£ worth 10p less

TAKING the value of the pound sterling to be 100p in mid-June last year, its purchasing power in mid-August this year had dropped to an estimated 90p, Mr. Terence Higgins, Minister of State, Treasury, told the Commons yesterday. The comparison was based on the movement in the general index of retail prices.

Labour relations code expected near year-end

BY PHILIP RAWSTORNE

The Government's code of industrial practice will be presented for Parliament's approval around Christmas, Mr. Robert Carr, Secretary for Employment, told the Commons yesterday. If it was accepted in the spirit in which it was offered, it would help to foster industrial peace and prosperity.

But as an expression of seasonal goodwill, it signally failed to improve relations between the two sides of the Commons.

"By their after-thoughts ye shall know them," Mrs. Barbara Castle darkly—though with some risk of self-recognition—declared as she led Labour MPs into the "No" lobby.

Anxious

The Opposition's refusal to accept the code was not unexpected but Mr. Carr, opening the debate on the consultative document, did his best to persuade them that there would be nothing objectionable in the package.

He had not even wrapped it up yet, he stressed. And he was anxious that the TUC, in particular, should help him to decide its contents.

He wanted to be sure it contained the basic principles of free, collective bargaining, that it did not offend by being too paternalistic; that it gave trade unions their full role.

Mr. Carr urged the unions to responsibility — and tempted them as well by "seriously considering" the addition of something about the "status quo" principle.

The draft code already included many things that the trade unions wanted and had struggled for over the years, he said.

Unimpressed

But Mrs. Castle was unimpressed by this "ritual reasonableness." The code might be gift-wrapped but it was an integral part of the Industrial Relations Act which was being used to reduce the dignity, status and freedom of the unions, she said.

Just a starting point—Carr

MR. CARR was challenged on the issue of the Upper Clyde Shipbuilders when he introduced in the Commons a consultative document on the Code of Industrial Relations practice. He had described it as a starting and not a finishing point.

When Mr. Joe Ashton (Lab., Bassetlaw) intervened to ask whether the code would have avoided the situation at UCS, Mr. Carr replied: "I have said, over and over again, that we are dealing essentially with preventative rather than curative medicine.

Difficulties

"I cannot guarantee it would have avoided any particular incident.

"One can express a view that, if managers and trade union officials, employers' associations, and trade unions consistently did their best to apply and take in the terms of the principles laid down in this code, the chance of the sort of difficulties you refer to cannot be removed altogether, but would be substantially minimised."

Mr. Carr claimed that the Code would be to the benefit and prosperity of Britain and would contribute to industrial peace. Ultimately, it would improve the satisfaction and opportunity which millions could find in their daily work.

Although complementary, the Code and the Industrial Relations Act were two different things.

"The Act provides legal rights and imposes legal obligations, whereas the Code is a statement of good practice, which in many respects, goes well beyond legal rights and obligations which are usually, by necessity, almost minimum standards."

The "fundamental principle" underlying the Code was that industrial relations in an industrialised, free society, were best conducted by collective bargaining between employers and strong trade unions.

"If this principle is not reflected in the Code—as has been claimed—then I am only too willing to listen to any suggestions for remedying this."

He admitted that the Code would stretch both managements and trade unions "rather considerably." But it was meant to do this.

"While I appreciate that small employers will have difficulties, I think the universal applicability of the Code is absolutely fundamental and must be retained. If we were to depart from it, much of the influence of the Code would be weakened."

He had received many comments but unfortunately nothing of a considered nature from the TUC or from most of the largest trade unions.

The TUC saw fit to issue a Press statement "within minutes" of publication of the document.

"It is obvious that this comment must have been prepared before the document had been properly read, let alone studied or considered by the TUC.

"I do not believe this reaction was worthy of the TUC, both in its responsibility to the country and its responsibility for 10m. trade union members for whom it claims to be spokesman.

"The TUC has seriously fallen below the standards of responsibility which this country has a right to expect of it."

He said he hoped the Parliamentary Labour Party would take a more constructive attitude. He wanted to hear the views of all MPs, which would be taken into account.

Timing

He urged Labour members "to think carefully before just carrying through blind opposition to a code of practice which, I believe already in its present form, offers to trade unionists many of the things which they believe are right, and for which they have struggled for many years."

He hoped to put the revised Code to the House for approval before Christmas. If he could not manage that, then it would be published early next year.

If the Code was allowed to do its work, and if it was altered as experience proved necessary, "then we shall have done something important to make industrial relations more peaceful, the country more prosperous and work more satisfactory."

Tribunals in regions

NEW regional offices of Industrial Relations Tribunals will be set up in 13 towns in England and Wales, and in three cities in Scotland, said Mr. Dudley Smith, Under-Secretary, Employment, in a Commons written reply.

Mrs. Castle attacks 'double-talk'

Mrs. Barbara Castle, "shadow" Employment spokesman, said that the Opposition would vote against the Government because the code was "the child of the Industrial Relations Act."

Mr. Carr had turned his back on a "moment of maximum opportunity" for consultation with the TUC.

"He deliberately preferred to embitter industrial relations."

Every action of the Minister since he took office had been designed to make a scapegoat of the trade unions.

"His job is to nourish conciliation, not conflict, secure fair treatment for Government employees, and battle inside the Cabinet against rising prices and unemployment. Instead, from the moment that he took office, he has done the exact opposite."

"It is no use Mr. Carr coming along with his belated olive branch when everyone in the House knows that he has been the willing instrument of this Cabinet's economic and political strategy to declare war on the trade union movement. (Shouts of "Nonsense" from Conservative MPs.)

The Government's only strategy for dealing with inflation was to reduce the bargaining power of the unions, she said.

One-sided

"How can you expect the unions to sit down amicably with management when every breach of this one-sided code can be used against them in an industrial relations court?"

All Mr. Carr's efforts could not "hide the double talk which impregnates the whole of this document."

The code was not a charter for trade unionism and that was why the TUC would have nothing to do with it. Nowhere in the document did the Government say management ought to recognise trade unions.

"This Code is the true child of its parents, an Act designed to reduce the dignity, the status and the freedom of trade unionists."

Mr. Emlyn Hooson (L., Montgomery) said he agreed that there should be an Industrial Relations Act and one of the greatest weaknesses of the Labour Government was that they did not deal with industrial relations.

"The then Prime Minister shirked the question."

But what was needed was a much more precise guide to the courts, employers and trade unionists.

Mr. Carr's Code did not match up to what he was seeking to do in the Act.

Mr. Tom Swain (Lab., Derbyshire NW) said the Bill was the "most vicious piece of legislation that I have ever listened to in 12 years in the Commons.

"It was bulldozed through by the Government in spite of all the views of the trade unions and Opposition MPs."

Mr. Geoffrey Finsberg (C. Hampstead) said if a referendum on the Code of practice were held, well over 70 per cent. would support the Government and condemn the TUC for not being public spirited.

Of Mrs. Castle's speech earlier in the debate, he said: "All she gave us was a strange, whining dissertation which was probably prepared for her by the same people who forced her to back down over in place of strife.

Travel aid planned for migrants wishing to leave

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE Government last night announced the scheme to give travel assistance to immigrants who have failed to settle down in the U.K. and wish to leave.

It was the last major announcement to be made in the Lords on the controversial Immigration Bill, before the peers gave it a Third Reading. The Bill now returns for approval to the Commons, with about 70 Lords amendments—a number of them bringing significant modifications to the original legislation.

Lord Windlesham, Minister of State, Home Office, outlining the Government's intentions for giving travel help to immigrants who voluntarily decided that they did not after all wish to stay in the U.K., said that International Social Service of Great Britain had agreed to administer the scheme.

Eligibility

Eligibility for the scheme will be governed by the current average weekly earnings of the family seeking assistance. In general, the qualification will be an income not more than £2 above the appropriate supplementary benefit level. Poor employment and poor prospects would be main considerations for assistance.

The Home Office has been unable to make even a provisional estimate of the numbers who might wish to take advantage of the scheme, nor the amount of State aid that would be involved.

Lord Windlesham stressed that the power to provide payment was to be used only to help persons who left in their own interests and at their own wish.

ISS would be in a position to receive written applications shortly after the Bill received the Royal Assent — expected before the end of this month. But the first few months would be mainly occupied in processing applications and formulating the best working methods in what was an entirely new field of activity, said the Minister.

Actual payments to returning immigrants as a normal operation would not begin until around next April.

The Home Office also emphasised last night that no pressure would be put upon immigrants to leave. Even the appearance of pressure was to be carefully avoided.

The scheme, which will operate under an enabling clause in the Bill, will give assistance only in the way of expenses incurred in leaving the U.K. There is no provision for resettlement grants or any other kind of payment which might be regarded as an inducement.

Lord Windlesham hoped that, when the controversy over the Bill had died down, it would be seen that here was legislation bringing immigration control into line with present-day British society.

The Opposition considered that a number of the worst aspects had been removed from the Bill during its passage through the Lords, but Labour peers still deplored the "racial undertones" they saw in the legislation.

Baroness White, from the Opposition front bench, maintained that if Britain had already become a member of the European Community, the Bill would not have been introduced.

Corrosion 'clue' in air crash

THE possibility that corrosion led to a disruption of the flying controls of the BEA Vanguard which crashed, killing 63 people, in Belgium on October 2, is being "vigorously pursued."

The Minister for Trade, Mr. Michael Noble, said that examination of the rear pressure bulkhead had shown that there was corrosion below a position where the flying control mechanism passed through a pressure seal.

"The possibility that the bulkhead ruptured at this point, with consequent disruption of the flying controls causing the aircraft to go out of control, is being vigorously pursued."

He told Mr. Cranley Onslow (C., Woking) that the recording on this flight from Heathrow terminated when the aircraft was in normal cruising flight at 19,000 feet.

'Need to watch carefully Pakistan-India situation'

BRITAIN is to make a further £7.5m. available for relief among Pakistani refugees in India and an additional £1m. for relief in East Pakistan, Sir Alec Douglas-Home, Foreign Secretary, told the Commons.

Replying to a question from Mrs. Doris Fisher (Lab., Birmingham Ladywood) Sir Alec said he had repeatedly said that the responsibility for a political settlement in East Pakistan lay with the Pakistan Government and people.

The humanitarian aspects were indeed a matter of international concern. It was for this reason that Britain made the further sums available, in response to U Thant's recent appeal and to the appeal of Prince Sadruddin Khan, the UN High Commissioner for refugees.

Sir Alec added: "This brings our total contributions to over £14½m. for relief among the refugees, and £2m. for relief in East Pakistan. I hope that other nations will also respond generously to U Thant's appeals."

Mr. Bernard Braine (C. Essex S.E.) stressed the need to ensure that relief actually reached the needy and the suffering. He asked whether Sir Alec was satisfied that the UN relief programme would ensure distribution to the needy in East Pakistan.

Sir Alec said he had raised this matter with the UN Secretary-General. Food reserves were quite good; it was a matter of communications and in particular getting food supplies to certain areas up country. The UN was now in these areas and making suggestions as to how this could be done.

Britain was supplying some river transport as were some other countries.

The "shadow" Foreign Secretary, Mr. Denis Healey, referred to growing reports of troop movements and asked whether Sir Alec had considered raising the matter in the Security Council as a threat to peace.

Sir Alec said he understood that Pakistan had offered to withdraw her troops 10 kms. or so from the frontier. India's response had not yet been received and "it does not look as if it will be favourable."

Sir Alec said neither Pakistan nor India would admit that there was a threat to peace. It was very difficult for any other Government to bring this to the UN on these grounds.

"I think the situation can only be watched very carefully."

Mr. John Stonehouse (Lab., Wednesbury) said that the Genocide Convention had been breached by the Pakistan authorities "during the repression of the last seven months."

Sir Alec replied that the Government could only do its best behind the scenes and, so far as the humanitarian work was concerned, through the UN.

As far as the voluntary organisations in Pakistan were concerned, these had been asked by the Pakistan Government to operate in flood areas. "They are doing so to good effect."

هكذا عند الأصل

Lord Goodman's aides revisit Rhodesia

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

ATTEMPTS to settle the six-year-old dispute with Rhodesia are to be taken yet another stage when the three British Foreign Office officials who accompanied Lord Goodman on earlier missions to Salisbury leave London for the Rhodesian capital tomorrow.

According to a Foreign Office spokesman, the three—Sir Philip Adams, Mr. Philip Mansfield, and Mr. Gordon Smith—are to continue the "exploratory talks" begun by Lord Goodman last April. Lord Goodman himself is not going to Salisbury.

Key question

Whitehall retains its resolute silence on the contents of the discussions, refusing all speculation on the key question as to whether the officials' visit is simply to "dot the i's and cross the t's" on an agreement already more or less agreed between the two sides, or whether it represents a setback to the progress achieved so far.

It is probably fair to assume that the mission's purpose lies somewhere in between these two extremes. It seems likely that the absence of Lord Goodman means that the officials will be expected to clear up certain ambiguities in already negotiated positions, rather than to raise and negotiate new points.

On the other hand Sir Alec Douglas-Home, the Foreign Secretary, said in a BBC interview on Sunday that he had not yet made up his mind whether to visit Salisbury; he made it clear long ago that he would not go unless he were virtually sure of a settlement.

Sir Alec is understood to feel not only (as he repeated in a written answer in the Commons yesterday) that "useful progress has been made," but also that certain important gaps remain.

However, although it is pointed out that Sir Alec genuinely has not made up his mind to go to Salisbury and will await the report of the officials' team before finally deciding, the odds are still in favour of a summit meeting, probably early in November.

The current mission will affect the timetable of such a visit: presumably the officials will be unable to report fully to Sir Alec before the middle or end of next week, and Sir Alec himself is likely to want to leave any announcement on his intentions (which he has promised to make first to Parliament) until after the Common Market vote is over on October 28. Since Parliament is then prorogued until November 2 the result of the Salisbury talks is unlikely to be made known for another two weeks at least.

Keep out of Market: Feather warns again

FINANCIAL TIMES REPORTER

BRITAIN would suffer a balance of payments cost of between £500m. and £800m., resulting in even heavier unemployment, if she entered the Common Market on the terms negotiated, Mr. Vic Feather, Trades Union Congress general secretary, warned last night.

Speaking at a Labour Party rally in the Central Hall, London, he said: "Last month the TUC voted overwhelmingly against British membership of the Common Market on the terms negotiated by the Government.

"We did not make our decision simply because we don't like most of the things that the Government stands for.

"We voted 'no' because the tests we set in 1970 were not met. These were the reasonable tests agreed by the whole of congress. We voted 'no' because our negotiators have struck a bad bargain.

"On the terms that the Government is willing to accept, even eager and anxious to accept, we believe that working people would be better off outside the Common Market than inside it.

Argument and fact

"The TUC does not believe this country would have a prosperous economic future in Europe on these terms, and we support our belief with argument and fact.

"I wish that employers and Tory politicians and the Government would do the same, instead of assuming or asserting that all would go well in Europe. I wish they would spend some time explaining precisely how they see the problems of membership could be overcome. For they have not done that yet. Platitudes in plenty, yes. But fact and argument, no.

"Tory politicians have said that we will all get higher wages by going into the Common Market. But I haven't heard of any managements coming up with concrete promises in that direction. And our colleagues in the unions in Germany and France and Italy have never given us the impression that employers in the Common Market are a soft touch.

"We've been told by Tory politicians that workpeople in Britain will get longer holidays by going into the Common Market, but they are not specific about that either. Perhaps we'll get an extra day's holiday for St. Trinian—or maybe even St. John Stevas.

"The Government's White Paper did not argue a case. If the decision on London's Third Airport had been taken as lightly, and with as little detailed study, as that which the Government has issued on the Common Market, then we would have had a storm of protest from most sections of the Press. But we have not had this. There has not yet been a great debate: and if the Government use the guillotine procedure in the Commons as this as they did on the Industrial Relations Bill, you will not see a great debate. You will see a muzzled debate with clause after clause being railroaded into the final Act."

Mr. Feather went on: "The TUC's first objection to the negotiated terms is that the Government have accepted that Britain should pay on a permanent basis the lion's share of the Common Market's budget.

Figure scaled down

"The Government originally worked out that we would have to pay about 31 per cent. of the budget; as I am sure you all know, this budget is spent almost wholly in supporting the common agricultural policy. As the July deadline approached and the Government's eagerness increased, they scaled down this figure.

"But they estimate that Britain would have to pay as much as 19 per cent. by 1977; but that would still not be our final rate of contribution. By 1980, the figure would be at least 25 per cent.

"No reasonable person can claim that it is just and fair that Britain should have to pay 25 per cent. of the budget and get only 6 per cent. in return.

"To pay in 25 would be all right if we got 25 back, or even 20 per cent. and if it could be proved that the French farmer was a deserving case for British charity, I'd even settle for a 15 per cent. return, but to pay in 25 and only get 6 back means simply that we've been conned. There is no other suitable word for it. They should have sent Sir Alec instead of Geoffrey Rippon. After all, Sir Alec would have had his matchsticks."

Mr. Feather said that the budget arrangements were agreed by the Six in the spring of last year, only a short while before Britain's negotiations opened. These budget arrangements would not come into full force until 1978. So there was plenty of time for Britain to say that the budget arrangements which would govern a community of 10 should be determined by a community of 10, and not by the Six. But whether that was said or agreed, we did not know and perhaps would never know.

"You are not dealing with mugs when you are dealing with the Six," said Mr. Feather. "When the Prime Minister agreed with President Pompidou last May that issues of a major importance—and that must include the budget—would only be decided by a unanimous vote, it was not just an assurance of a British veto. It was an assurance of a French veto, too, and the Pompidou veto will certainly be used to make the present budget stick."

There would be a net outflow on the capital side, that is, a deficit on Britain's capital account, he said.

"The TUC have estimated that the total balance of payments cost would be at least £500m. each year. I say at least, because this figure, £500m. a year, rests on a series of modest assumptions. The cost could be well over £800m. a year."

Mr. Feather continued: "I have heard people who favour entry admit that the short-term effect of entry would be severe. They accept that in the short-term Britain would be better off outside the Community, but they still say that we should bear this with fortitude because of supposed long-term benefits.

"But how long is the short-term an dmight the long-term be short?

"How does the short-term end and the long-term begin? Is there some sudden jerk when everything turns rosy? Why is prosperity always round the corner and never in full view?"

What we know for fact rather than fancy was that within 10 years or so of entry we would have paid several thousand million pounds to other members. "That's not the sort of competitive shape for any economy to be in."

Investment fears

This led him to the TUC's third point, concern about investment and employment. "We have been told about the "dynamic effects" of entry. It's a nice word — "dynamic." It sounds as though you are going somewhere. But 'dynamic' effects can be dynamic forward, or dynamic backward. Dynamic upward or dynamic downward."

There might be more investment, but it was more likely to be investment on the Continent than in Britain, he said.

Large international corporations would have no difficulty in supplying the British market from the Continent, for there would be no tariff barriers and no checks on capital investment.

"If our economy continued to be in poor shape. . . . It would be the marginal investments which would be the first to go. And this means, in plain man's language, heavier unemployment in Scotland, Wales and Northern Ireland, in the North-East and parts of the North-West, and a continuing growth of unemployment in the Midlands and South-West."

The TUC was concerned about the effect that entry would have on prices.

"If food prices increase by [illegible] per cent. the effect for the wealthy is negligible so far as their weekly budget is concerned—their total cost of living would increase by about 3 per cent. but for the family on low pay, the pensioner, or the disabled, or the unemployed who need to spend 50 per cent. of their weekly income on food, their cost of living would increase by 10 per cent.

"On top of this, for things other than food, we are promised a VAT which would push prices up even further.

"Some people may say that there is a political case for membership. But I do not see how one can separate politics from economics. The central political questions are economic questions. They are questions about what will happen to prices, what will happen to wages, what will happen to jobs.

Better outside

"I think we will be better able to build the sort of society that we want outside the Common Market than inside it. And for all these reasons we say no entry on these terms.

"This Government already have an unmatched record of their outdated domatic disregard of public opinion. They appear to believe that they, and only they, know what is best for Britain and her people. This issue is too important to be left to this Government, to be pushed through Parliament by votes of MPs who are unrepresentative of their constituents' views, representative not only on this issue, but on their political and economic issues, which face this country now. The message of every by-election to this Government has been 'We have no confidence in your policies.'

"The people of the United Kingdom must be given a chance to record their views at the ballot box.

"The people's message is clear. The message to this Government is 'let the people decide.'"

And the voice of the people, he said, was saying loud and clear: "On these terms, nut!"

£21m. for Wales

A TOTAL of £21m. has been allocated to various services in Wales out of the public works programme, the Welsh Secretary, Mr. Peter Thomas said.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

SOFTWARE

A bright future for experts

TURNOVER at Computer Analysts and Programmers (CAP) has risen for the ninth successive year, despite the hiccup in U.K. software business in the second quarter, the chairman, Mr. Alex d'Agapeyeff reported yesterday. CAP grossed over £1.1m. in fees in the 1970-71 operations year against £830,000 in the preceding year, a figure and a growth rate which is respectable by any standards in the software world.

Looking ahead to next year, the chairman anticipated that the 1972 result would be somewhere between £1.2m. and £1.3m. But profits, because of inflation, would be no higher and might even be less, which was why CAP proposed to raise fees by 15 per cent.

d'Agapeyeff was extremely concerned at the damage done to the software industry in recent months. Yet the "Big Five" in software had remained remarkably stable and this was due to the fact that they had the confidence of the big users. For its part, CAP was engaged in assisting projects which, at this moment, involved the procurement of a total of £120m. worth of hardware. It was extremely difficult for CAP to publicise its work since such a large amount of it was confidential to major clients.

However, he could say that CAP staff were involved in a major £40m. automation programme, in assessment and acceptation trials for major bank systems and in many other areas where large companies and state organisations were placing a great deal of reliance on systems going into operation as planned.

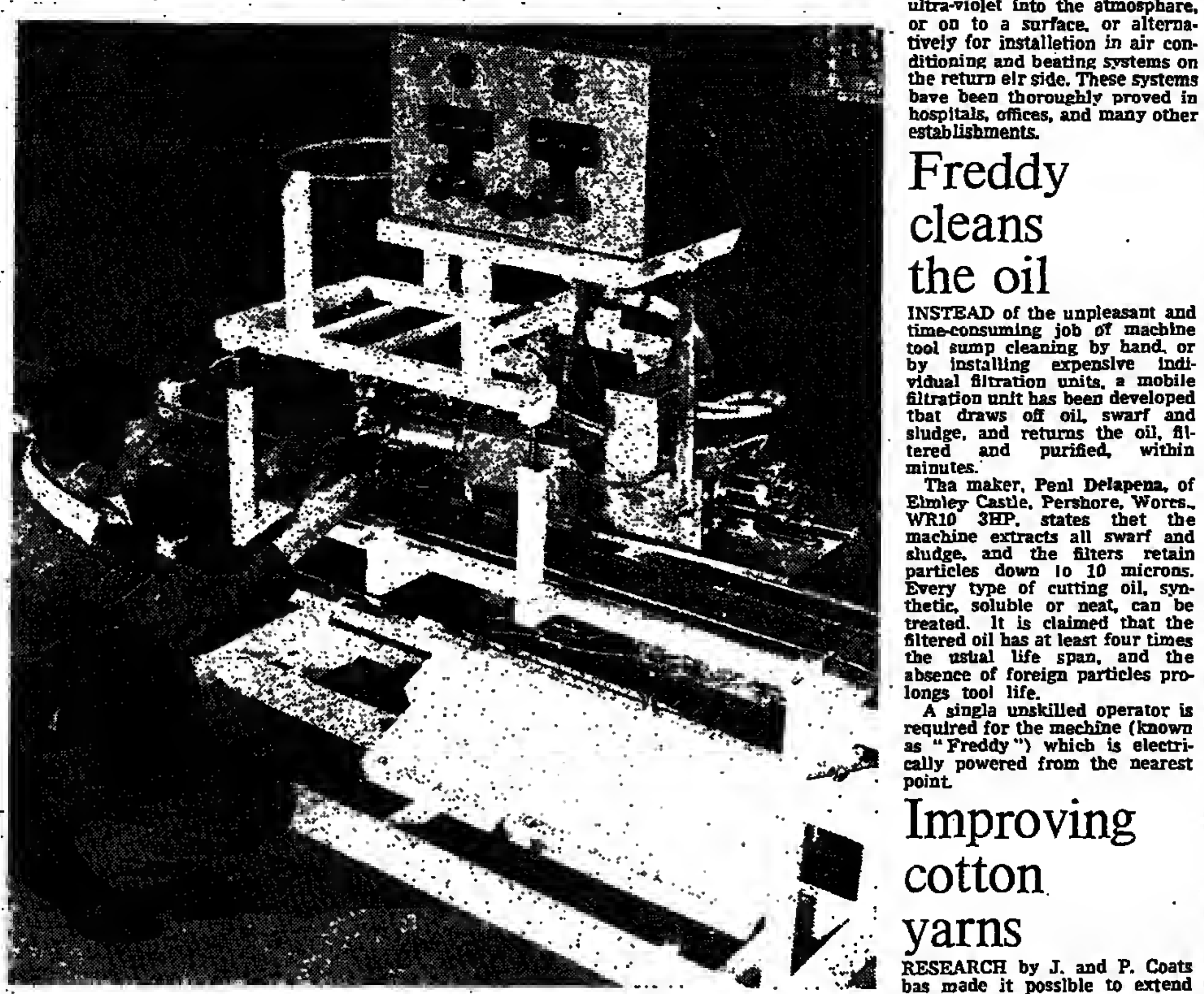
Asked whether CAP had thought of going public, he said now certainly was not the time, but that the squeeze on the company was severe. If it ever came to a situation in the Software industry such as had prevailed in the aircraft industry, CAP "did not want to be another Handley Page." But no move was likely before the European hardware situation had been tidied up.

Mr. A. R. K. Hardcastle, general manager of CAP, drew attention to the fact that more and more large systems—over £250,000—were being installed and fewer and fewer small systems. CAP appeared traditionally to be involved in large systems and while the risks were larger, so were the profits.

He alerted the listeners to the fact that VAT was going to prove more of a computing nightmare to users than decimalisation. There would be only half the time to get ready for it.

He dismissed the myth that CAP was some sort of IBM subsidiary by pointing to the split of work between manufacturers in the year under review—33 per cent. to IBM, 20 per cent. to Univac and 12 to ICL. However, at the moment, work in hand by CAP for ICL and IBM was almost on a 50/50 basis, he said.

CAP's European venture is going great guns and the two or so subsidiaries now operating outside the U.K. and French ventures are likely to overtake the U.K. operation in yields in the course of the next 12 months.



Final assembly of a Neumo machine designed to fill up to 2,400 foil trays an hour with foodstuffs. The machine will fill 40 4¾ oz. or 35 14 oz. retail size trays and 15 2¾ lb. or 10 5 lb. catering trays a minute with three operatives. Neumo, which has its factory at Newhaven, Sussex, says accuracy of fill is plus or minus 0.5 per cent. by volume. The machine is controlled by compressed air.

COMMUNICATIONS

Powerful units for a tug

RADIO communications facilities for the Lloydsman, entering service as the most powerful tug ever built for a British company, were provided by the marine division of Redifon Telecommunications.

Redifon planned and fitted the entire radio station, together with the vessel's TV and radio crew entertainment networks, the latter incorporating a selective crew-calling and intercommunication system.

A closed-circuit TV installation that permits the cable drums on the winches to be monitored remotely was also provided.

With radio staff maintaining a 24-hour watch, Lloydsman is able to keep a continuous guard on all maritime international distress and calling frequencies, and to communicate on all radiotelegraph and radiotelephone bands available to shipping. Telephone contact can be established with the U.K. from any area of the world in which the tug may be operating.

An MRC-11 radio console houses the 1.2 kW SSB main transmitter, the reserve transmitter, a general-purpose/SSB receiver and a reserve receiver. It also carries a 500 kHz automatic distress alarm and a battery charging control panel.

A second SSB receiver, type R.551, is fitted and an automatic direction finder is installed in the chart room. Selection of receiver aerials and of all-solid-state high-speed switching circuits to apply muting to any receiver from any transmitter in use are concentrated in a single panel in the console, together with facilities for routing the telegraph keying and speech circuits to the appropriate transmitter.

ELECTRONICS

Analyses wiring rapidly

A WIRING analyser using punched paper tape programming that will test complicated circuits for continuity resistance, insulation resistance and dielectric strength is being made available in the U.K. by Tele-Sciences, of 351, New Albany Road, Moorestown, N.J. 08057, U.S.

Known as the Omnitester 900, it utilises a fail-safe design that checks its own operation against an internally stored programme at the start of a test tape to ensure reliable performance. Programming and operation have been greatly simplified by requiring that only test addresses need appear on the tape. Test parameters and test types can be manually set up on the control panel, thus minimising the tape length and making it easy to prepare a test tape.

Test tapes can be produced by employing a self-programming feature in which a known good sample of the unit under test is connected to the system which analyses the wiring, punches a suitable test tape, and prints out a list of all connections. If a good sample is not available, tapes can be prepared manually by relatively unskilled personnel directly from production information.

The machine has a programmable continuity resistance range of 1 to 99 ohms in one ohm steps and similarly a short circuit test current of 5, 10, 50, 100, or 200 mA. Insulation resistance can be set from 1 to 99 megohms in one megohm steps and the open circuit test voltage from 28 volts dc up to 500 volts (six levels). The dwell time, that is, the time for which the test condition is maintained for each tested circuit, can be set between 10 mS and 80 secs in ten levels.

The Omnitester 900 rack mounted basic machine measures 28½ x 26½ x 72 inches and can accommodate up to 1,000 test points. The system is easily expandable to 10,000 points by adding switching module subracks of 500 points each. The basic price is $16,000 plus $8 per access point. Further information can be obtained from the U.S. Trade Centre, St. James's Street, London S.W.1.

PRODUCTS

Making use of timber waste

MANUFACTURE of chipboard is to be started at The Pickering Sawmills and Co.'s plant in Yorkshire.

This was announced last Friday by Mr. N. Kesztenbenm, managing director, at the opening of new premises at Pickering where there is now a mechanised pit prop production line.

Introduction of chipboard manufacture will enable all the residue from pit prop production—bark, off-cuts and sawdust to be utilised. Waste from other sawmills will also be used.

Reduces the risk of cable fires

DEVELOPMENT of an electric cable which is claimed to minimise risk of fire has been announced by Pirelli, 343 Euston Road, London, N.W.1.

According to the company, it is only over the past two years that any real concern has been expressed over pvc cable fire risks but the company says it now reckons to have a cable far in advance of any similar product on the market in Europe.

New pvc compounds are said to be the secret of the cable which will be marketed in the light current range (up to 1 kV), under the name Flamex. It is stated that in the event of a cable fire Flamex will considerably reduce the travel of flame, an advantage of considerable significance where large bundles of cable are carried in vertical shafts.

During tests before Central Electricity Generating Board engineers, Pirelli technicians fitted two bundles of cable each 5.4 metres long—one bundle of standard cable and one of Flamex—to a specially built test rig. Fire was induced and at the end of the test the standard cable was completely destroyed, whilst less than one metre of Flamex had been damaged.

Demonstrations are to be given in the near future to several fire research authorities.

PROCESSING

Cleaning up with light

TWO TYPES of ultra-violet liquid and air purifiers made by Pollution Technical Services of Station Road, Abingdon, Berks, are now on the market.

The liquid purification system kills bacteria, virus, and other micro-organisms by irradiation on a constant flow basis. The advantage of this purifying system over other methods is that the treated water is not adulterated with chemicals such as chlorine and other bactericides.

Once treated, it is completely sterile and free from chemical agents. This makes the purifiers particularly suitable for applications in the food, chemical, pharmaceutical, electronics and brewing industries. Chemical additives are often not effective unless used in unacceptable quantities affecting toxicity, colour and/or the taste of the water, resulting in product spoilage.

Liquid purification is achieved by passing the fluid through a stainless steel radiation chamber with 100 psi working pressure, fitted with extra high intensity ultra-violet lamps rated for 7,500 hours of continuous use. The lamps are located inside high transmission, clear fused, quartz jackets to ensure maximum radiation at optimum operating temperatures.

Air sterilising models can be installed on walls or ceilings for direct or indirect radiation of ultra-violet into the atmosphere, or on to a surface, or alternatively for installation in air conditioning and heating systems on the return air side. These systems have been thoroughly proved in hospitals, offices, and many other establishments.

Freddy cleans the oil

INSTEAD of the unpleasant and time-consuming job of machine tool sump cleaning by hand, or by installing expensive individual filtration units, a mobile filtration unit has been developed that draws off oil, swarf and sludge, and returns the oil, filtered and purified, within minutes.

The maker, Paul Delapena, of Elmley Castle, Pershore, Worcs., WR10 3HP, states that the machine extracts all swarf and sludge, and the filters retain particles down to 10 microns. Every type of cutting oil, synthetic, soluble or neat, can be treated. It is claimed that the filtered oil has at least four times the usual life span, and the absence of foreign particles prolongs tool life.

A single unskilled operator is required for the machine (known as "Freddy") which is electrically powered from the nearest point.

Improving cotton yarns

RESEARCH by J. and P. Coats has made it possible to extend the liquid ammonia "Prograde" process originally developed for the treatment of sewing thread to be extended to all kinds of cotton yarns.

Now, finishers and spinners will be able to install and operate the process without difficulty to provide better tenacity, lustre, dye affinity and stability to their raw materials. At the same time, the amount of liquid ammonia needed to operate the method has been cut so much that the recovery plant can be eliminated.

So far, the process has been a high technology one not really suitable for application outside large installations.

With the new improvements, it has been considerably simplified and brought down to the level of single machine usage. This has been achieved principally by a considerable reduction of the amount of ammonia on the yarn.

In theory only 0.2 lb of ammonia are needed to treat the yarn. In the original plant, 2.9 lbs were used. This has now been reduced to a fraction of the amount required at the outset.

Moves tiny distances accurately

DEFORMATION of certain crystals under passage of electricity can be used for obtaining the precise movement of photo film.

Piezoelectric methods thus can replace the more usual rotary mechanical movements of film and are particularly desirable where photographs must be built up from successive scan lines. Ryan Aeronautical Div. of Teledyne, 2701, N. Harbor Drive, San Diego, Calif., U.S., claims an accuracy of 40 millionths of an inch for the method.

The action is entirely solid-state and there is no wear or inaccuracy due to long use. An oscillator feeds current at the desired interval to a crystal of piezo-ceramic. This changes shape an exact amount and in doing so moves the film forward.

Scribing substrates by laser

AUTOMATIC laser substrate scriber for ceramic, glass and sapphire, has been developed by Korad department of Union Carbide at Santa Monica, California, using a CO_2 laser which peaks to a maximum power of 700 W over a 150 microsecond pulse (pulse rate: 200/sec.).

The device is intended for high volume production and incorporates what is claimed to be a unique substrate scribing stage, which is pneumatic with a single stepping motor for indexing. Stage travel is 5 x 5 inch to accommodate four 2 x 2 inch substrates simultaneously. Scribing speed is 6 inches/second.

The main advantage claimed for the system is its ability to scribe to a depth of 0.015 inch compared with the usual diamond scribing depth of 0.001 inch. This means that when the substrate is mechanically fractured into ¼ x ¼ inch dice there is much less damage to substrate coatings and so fewer rejects.

The apparatus can be used for dividing thin film passive circuit glass substrates, and can also be used to scribe the thicker integrated circuit sapphire substrates, which are not so readily parted using a diamond scriber. The CO2 laser is not recommended for dicing silicon substrates.

The equipment is available in this country from the Roditi International Corporation, 130, Regent Street, London, W1R 6BR.

TELEVISION

Single klystron operation

TELEVISION transmitters normally use two klystrons in the final stage, one feeding sound and the other vision signals to the aerial. Should one break down it is possible to feed both signals through the one tube but then it is necessary to reduce the power levels of both signals to avoid the intermodulation products that would occur at the higher levels. The alternative is a standby klystron.

EMI-Varian of Hayes, Middlesex in conjunction with the Hungarian firm Electromechanical Enterprise, of Budapest, is now offering a compensator unit which has the effect of linearising the input/output power curve of a klystron by operating on the sound and vision signals before they are applied to the input of the klystron.

EMI-Varian points out that it is possible to linearise the characteristics of the tube itself but this is an expensive proposition and the tendency has been to look for external "black boxes" that will produce the same effect.

With the Hungarian device it is possible to operate the single tube more efficiently as a common vision and sound amplifier. In a typical case of a 40kW carrier the level need be reduced to only 20kW instead of to 8kW in the absence of the device.

Exact details of the device have not been released, but it is stated to be able to "anticipate" the distortion that will be experienced with consequent mixing effects of the two signals, by applying an "inverse" effect to them before they are fed into the klystron.

EMI-Varian claims that the device could lead to significant reductions in the cost of transmitting television broadcasts.

METALWORKING

Looks into light alloy castings

EQUIPMENT which displays the internal structures of light alloy castings on a TV-type screen is being marketed with considerable success by Pentak of Vale Road, Windsor, Berks.

Requiring very little manual intervention to operate, the system has a conveyor which takes the castings to a manipulator intended to rotate each piece in an X-ray beam.

The resulting image goes to an image intensifier and then to a closed circuit TV system. The image is studied by the quality control inspector who decides whether to retain or reject the workpiece.

Reject castings are separated from the remainder by a gate in the exit conveyor system and the whole device, bringing X-ray inspection virtually into the production line, offers a considerable improvement in techniques of quality control.

ISRAEL

Christopher Tugendhat, who recently visited the country, describes the emerging signs of social unrest

A Nazareth street market: "If anything, the desire to achieve an affluent standard of living is more intense than elsewhere."

Peace-time problems in an atmosphere of war

THE STATE of Israel is in an unenviable position. It has lost the spur of military crisis without gaining the benefits of real peace. The economic and social tensions that have for so long been kept in check by the military danger are rushing to the fore, but the necessity of maintaining a semi-siege economy and the continued uncertainty over the border situation and the cease-fire make it difficult for the government to find the time and energy to tackle them.

The country is only gradually awakening to the nature of its problems. For most Israelis the cease-fire is still something to be revelled in. The War of Attrition which followed the Six Days War, especially last year when the guerillas were very active, was a miserable time. "We lived from one hourly news bulletin to the next waiting to hear who had been killed," one woman told me, "and the papers were full of obituary notices." The country had all the strain of war, and none of the exhilaration of action.

Many strikes

But the signs of economic and social unrest are multiplying fast. There has recently been such a rash of strikes that the government has been forced to withdraw its previous opposition to an industrial relations bill, and bring forward proposals for a strike restraint law. A local version of the Black Panthers has sprung up, recruited from the Sephardic, or Oriental, section of the community, and young people of all backgrounds have been protesting about the housing shortage.

Businessmen, professional people and workers spend an increasing amount of time finding ways round the penal rates of direct taxation, and there is a widespread belief that some are breaking the tax laws in fact as well as in spirit. Finally, there is a galloping inflation, which this year is expected to raise prices by anything up to 20 per cent.

Israel is no longer a pioneer country so far as its way of life is concerned. Some 89 per cent of the Jewish population lives in urban areas compared with 3.4 per cent on the kibbutzim, and they have the same ambitions as similar communities in Western Europe. They want cars, television sets, foreign holidays, and a rising standard of living. The aspirations of the affluent society took longer to reach Israel than Western Europe, and in many ways the country is still a long way behind. This means, if anything, that the desire to achieve an affluent standard of living is even more intense than elsewhere.

At the same time tha obstacles are much greater. This is partly because of the nature of the population. A high proportion are either immigrants or the children of immigrants. Consequently the country does not have the accummulated reserves either of individual wealth, or of a relatively long period of rising living standards. A far higher percentage than in most countries is building up possessions from scratch, or nearly so. The effort required is immense. In many respects the prices of the most sought-after goods are much higher than in Europe, owing to the enormous local taxes and duties, especially on imports and consumer durables. Electrical goods, for instance, have 200 per cent. added and a locally-assembled Triumph 1300 costs about £2,000. Those wishing to go abroad for a holiday must be prepared to pay a travel tax that may double the cost of their ticket.

Property values are almost up to London standards. A four-room flat in a middle-class suburb of Tel Aviv is often over £8,000, and on the newly named Eshkol Heights in East Jerusalem, where the building works are causing so much international comment, the asking price for a three-room flat is £9,000.

Set against these prices Israeli salaries are low, and their direct taxes are very high by international standards. The top rate of 84 per cent., which includes both the regular income-tax and various compulsory loans and levies, comes into effect at about £3,250 a year. A man earning £3,600, who might be a director of a large company, would actually take home rather less than half his income. A deputy bank manager or senior engineer earning about £2,400 would expect to keep about £1,400.

Not surprisingly, a number of expedients have been developed by the business and professional classes to lighten this dreadful burden. Doctors may ask for payment in kind, such as schoolbooks for their children. Companies give telephone, car, and other allowances on a generous scale, although the items may be very largely for private use, and they turn a blind eye to the fiddling of expense accounts. Help is also frequently given to enable parents to meet the costs of their children's education.

Some of the same perks are given to shop-floor workers, as well as others tailored to their needs. These range from free meals to allowances for clothing and even books and periodicals, and to lower taxes on certain types of overtime. Many also work in their spare time as car washers, plumbers, house-painters and the like without declaring their incomes.

These devices help to supplement many incomes. But they do not disperse the tensions and anxieties that for most people are the inevitable concomitant of living beyond their salaries and trying to buy things they cannot really afford. Moreover, these devices are unfairly distributed since some people are better able to take advantage of the system than others—and they are anyway extremely undesirable on general social grounds.

A parliamentary commission is now examining the whole matter, and is expected to suggest both lower rates and higher base points. It is thought that these changes could coincide with the introduction of a value-added tax. But few expect a change in less than two years, and it is feared that Left-wing pressure could result in the reforms being accompanied by various anti-savings measures designed to hit the better off.

Deep in debt

The worst sufferers are the young, notably those in the 20-30 age group, which has doubled in size over the last six years. After serving in the army, and, if they went to university, working throughout their studies at almost full-time jobs, they find that they cannot afford to maintain what they regard as a decent standard of living. Most marry early, often after meeting their mates in the army in which both sexes serve. They do not have the down payment for a flat, and the cost of setting up house is enough to put them so far into debt that they can see no hope of ever escaping.

They are no longer prepared to put up with this. Demonstrations are becoming increasingly common, and some of the braver spirits have been squatting in flats built for new immigrants from abroad. Young people of both European and Oriental origin are involved, but the Orientals are the most prominent, especially since the formation of their "Black Panther" group. There is little colour prejudice in Israel, and some 20 per cent. of all marriages are between people of different racial origins.

But a disproportionate number of those from poorer backgrounds are of Oriental origin. With a higher birth rate since the formation of the State, they are particularly strongly represented in the 20-30 age group.

The dissatisfaction of the young could have serious consequences. According to unofficial estimates there are already some 100,000 Israelis living in the U.S., who have gone there since the State of Israel was established. This is a surprisingly high figure when it is remembered that the Jewish population of Israel is still only 2.5m.

Population

Israelis are unusually well-educated people, and capable of getting good jobs abroad. If the young are not given the opportunities they want, a serious brain drain could develop now that the national esprit de corps of the military crisis is diminishing.

This does not mean that the population will diminish. Immigrants are still pouring in—some 32,000 arrived in 1969 alone. But it is very expensive to train young people at school, the army, and the university, and then export them, while importing people who are often of less value to the state in almost every way.

Even immigrants from the West with skills the country needs have to be taught Hebrew, and helped to settle down in a variety of ways of which tax concessions and duty-free shopping are among the most obvious. Those from Eastern Europe and Russia usually have fewer useful skills, and require a good deal of expensive help over a long period.

It would be wrong to make too much of all these problems. Israel still has a sense of national purpose and identity that is striking to the visitor. In some of the kibbutzim on the Golan Heights and in the Negev desert there is as much pioneer spirit as ever there was—and they are largely run by young people. In time of war there is no doubt that the nation would rally and fight to the last. Even now the national growth rate and the scale of industrial innovation are very impressive.

But in the uneasy half-light between war and peace in which the nation is now living, social and economic tensions are undoubtedly increasing. With defence accounting for 40 per cent. of the combined expenditure incurred under the ordinary and development budgets, the government's ability to tackle these problems is severely limited.

'New type of security wanted'

By Eric Short

A NEW TYPE of fixed-interest security is needed for investors who require maximum security in real terms, stated Mr. John Young in his presidential address last night to the Faculty of Actuaries in Edinburgh.

Such an investment could be one where the interest and capital payments were adjusted to the index of currency value. Naturally, the rate of interest would be lower, Mr. Young pointed out, but it would truly be a rate of interest, and not, as at present, a combination of a rate of interest and an estimated future rate of inflation.

He also referred to the possible future size of the profession in Scotland based on recent recruitment levels, and concluded that life offices were not recruiting too many actuarial students.

More graduates

For some time, the trend in recruitment had been towards a graduate intake rather than direct school leavers, and in 1970 all but one of the entrants were university graduates. This should result in a shorter average qualifying period.

Finally, while warning students that the training of an actuary may be described as rigorous, Mr. Young refuted that such training was narrow, as it had been described.

The variety of subjects and topics which were covered in papers, notes and discussions in actuarial journals and transactions illustrated the breadth, depth and range of subjects which actuaries must encounter from time to time in their career.

OIL HUNT SPARKS SCOTLAND BOOM

The big North Sea oil hunt could lead to a business boom in North-East Scotland, development officer Mr. John Hutton said in Aberdeen yesterday.

Some companies were already enjoying a boom, he said. Almost overnight a giant market had arrived on the region's doorstep.

هكذا في الأصل

Merrill Lynch Pierce Fenner Smith Hubbard Westervelt Mottelay Royal Securities and Lionel D. Edie and Co.

What kind of financial house is that?

The new kind. The kind we believe major international investors are all going to need in the future—and which many are using advantageously right now.

NEW METHODS AND OLD IDEAS: YOUR DILEMMA TODAY

Since the time of the Dukes of Lombardy, the methods of international finance have been changing at an ever-increasing pace. There has probably been more innovation in the past ten years than in the previous hundred.

Old ideas are under a lot of pressure. Investors and advisers alike have to decide which of yesterday's must be abandoned, and which must be cherished. And today's markets are so dynamic that inactivity counts as a decision. Like any other decision, if it is a mistake it can expect no mercy from the market.

Unless you are quite certain that your funds, and your advisers, are hitting exactly the right balance between innovation and caution, you are likely to find the following resume of Merrill Lynch's international activities interesting — and perhaps rewarding — reading.

THE MERRILL LYNCH STORY: OR HOW TO GROW TREES FROM GRASS ROOTS

Merrill Lynch's usefulness to the institutional investor in Europe has grown directly from its skills in serving such an enormous and varied public in America—where its 1½ million customers represent every kind of investor, including many leading institutions.

Consider three things about Merrill Lynch:

SCALE: The fact of having so many customers, so widely dispersed, has involved Merrill Lynch in its huge investment in electronics, both to process transactions and to store, retrieve and communicate information and opinions.

INNOVATION: Selling stocks on such a broad scale seemed eccentric to some Wall Street traditionalists when Merrill Lynch began.

They wondered, too, about having a formal training school for account executives—and then paying them on a salary basis rather than a direct commission. Many Merrill Lynch practices, such as the detailed annual report sent to every customer, were alien to the traditional financial world. Innovation is in Merrill Lynch's bloodstream.

CUSTOMER ORIENTATION: Consistently, Merrill Lynch's growth has been in response to customers' needs. It is, if you like, a marketing attitude rather than a manufacturing one.

And it is precisely the attitude behind Merrill Lynch's recent strides in international finance.

Merrill Lynch has taken an unusual route to a position of importance in the small world of international finance, but it has brought with it a freshness and strength which we think are well suited to today's challenges.

A MERRILL LYNCH INTERNATIONAL CHECK LIST:

Here, in brief, is a description of ten of the companies whose services you might use. Some of these services are probably not available at all through your present advisers. Others may currently require you to make laborious individual arrangements for different services.

1. MERRILL LYNCH, PIERCE, FENNER & SMITH INC.

The world's biggest stock and commodities broker. The size and strength of the New York base provide, not only stability, but strong management and rigorously enforced standards of selection, training and business conduct in all Merrill Lynch activities.

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Through its association with Royal Securities, Merrill Lynch has become a prime dealer in Canadian Government securities, and now has 20 offices in Canada—including a section of the Securities Research Division based in Toronto.

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Through this, Merrill Lynch's real estate financing subsidiary, you can arrange U.S. and Canadian sale-and-lease-back deals, joint ventures, mortgages and private placements.

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Its president (a Swiss) has headquarters in Geneva; one executive vice-president in London. But your Merrill Lynch executive in any of 24 offices throughout Europe, the Middle East, the Pacific and South America can plug you in directly, through his private high-speed wire, to all the information and opinion retrieval equipment and expertise of Merrill Lynch.

5. MERRILL LYNCH SECURITIES UNDERWRITERS LTD.

Its president works out of Paris and it handles all new Euro-security issues for Merrill Lynch International in Europe. It has a major role in creating new and imaginative financing and international banking activities, and it handles all Merrill Lynch's offshore fund activities.

MLSU has already established a considerable reputation for strength and selectivity in managing, underwriting and retailing offerings of Euro-securities. Significantly, each new issue is checked out by both Merrill Lynch's Securities Research Division in New York, and by the MLSU men on the spot to be sure the issue has the right feel to it.

6. MERRILL LYNCH TRADING CO. S.A.

This is the Corporation headquartered in Geneva which makes its communication and information facilities available to MLSU to ensure contacts with the other Eurobond traders. Merrill Lynch Trading Co. is an agent of MLSU.

Weekly lists of estimated negotiated prices are available through MLTC—and these lists provide a valuable contribution to the market in these bonds. They provide a statistical comparison of interest rates, maturity dates, prices and yields on some 150 issues—long-term debentures, convertible bonds and short-term notes. And it is the Geneva office which distributes to each Merrill Lynch executive, throughout Europe a daily quotation list of "straight" bonds.

The aftermarket in Eurobonds is not maintained so much through trading on one or more European exchanges where a given Bond may be listed but by the main specialised traders. These traders make markets in many outstanding Eurobond issues and are in constant telephone and telex communication with each other. MLSU for this communication function uses the services of Merrill Lynch Trading Co. S.A., Geneva.

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A group of specialists who know how to make full use of Merrill Lynch's scale and retail strengths when large blocks are to be sold. Whether they are U.S. securities or securities from other countries.

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8. MERRILL LYNCH (BROKERS AND DEALERS) LTD.

Based in London, this is the very active commodity futures area of Merrill Lynch International. It maintains the worldwide Merrill Lynch policy of never "taking a position" in a commodity itself.

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10. EUROPEAN RESEARCH UNIT

Centred in Geneva along with the Lionel D. Edie International Operation is the Geneva section of the Securities Research Division of Merrill Lynch. (The other sections are in Tokyo, Los Angeles, Toronto and New York.)

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Having looked through this list, you may feel that Merrill Lynch is quite unlike some of your present arrangements. This is no accident. Merrill Lynch believes that financial services are going to change. That you are going to demand more and more, one fully-rounded financial house to provide a multiplicity of services.

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But behind all the innovations there is the massive caution of the firm's own conduct of its affairs. This caution may have looked unadventurous, even uncharacteristic, until last year, when a cloud of uncertainty hung over the U.S. financial community.

Merrill Lynch has decided, firmly, which of yesterday's ideas must go, and which must stay. What must go is anything which impedes giving you the financial services you need. What must stay is the belief that all this activity must be firmly managed from a strong centre of financial stability.

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APPOINTMENTS

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£5,000+

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Personnel Director

Forward Leasing Limited

12 Calthorpe Road, Edgbaston, Birmingham B15 1QZ.

Forward Leasing Limited is a member of the Midland Bank Group.

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PILKINGTON BROTHERS LIMITED, Glass Manufacturers, invite applications for the appointment of GROUP SUPPLIES CO-ORDINATOR at St. Helens, Lancashire. This is the most senior purchasing appointment in the company.

The successful applicant will be responsible to a main board director for formulating the supplies policies and objectives for the Pilkington Group and for ensuring their successful execution.

This is a very responsible job: annual purchases exceed £40 million. Applicants must be able to show professional ability of the highest order, and have a continuing record of success in senior purchasing appointments either in a large industrial company or a nationalised industry. Age range: 35-48.

Application forms may be obtained from

The Head of Personnel Services,
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PILKINGTON

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DEVELOPMENT OFFICER
FOR TAYSIDE

The Tayside Development Authority invites applications from suitably qualified men of high calibre and with wide experience in an appropriate field for this new post, the principal responsibility of which will be the encouragement of industrial and commercial development within the Tayside area.

The Development Officer will require to familiarise himself with the Development Plans of the five Constituent Planning Authorities; to consult with the Planning Officers of these Authorities with a view to identifying existing and prospective industrial sites; and to obtain and collate information as to the resources and services available and like matters. He will also be expected to be well informed on the various statutory provisions pertaining to grants for industrial developments, provision of services, etc.

The salary for the post will be £5,000 per annum rising by annual increments of £200 to a maximum of £6,000. A placing on the scale may be given depending on qualifications and experience.

The post is superannuable. A car allowance on appropriate N.J.C. scale will be paid. Removal allowance payable to a maximum of £100. Assistance with housing may be provided.

Forms of Application may be obtained from the Subscriber to whom they should be returned not later than 13th November, 1971.

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BUSINESS OPPORTUNITIES ALSO APPEAR ON PAGE 33

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هكذا من الأصل

The Executive's World

EDITED BY DAVID PALMER

While shipbuilding on the Upper Clyde still struggles for survival, HENRY SCOTT STOKES reports from Tokyo on what the Japanese claim to be

The world's most efficient shipyard

THE TSU shipyard of Nippon Kokan is reckoned to be one of the most efficient in Japan, possibly *the* most efficient. This at any rate tends to be the consensus of the Japanese shipbuilding industry, and Nippon Kokan executives do not miss an opportunity to make the point themselves. "Some of the European shipyards, especially those of Sweden, are highly efficient," they will say, "but we still feel that we have a little edge over them in terms of efficiency."

At Tsu, they have only one building dock—500m. long and 75m. wide—in which, however, the company can build at present five giant ships in the 200,000 d.w.t.-250,000 d.w.t. range a year. Next year, the yard intends (and the Japanese rarely fail to fulfil such publicly-announced targets), to turn out half-a-dozen of these ships. "Our output will be up by 20 per cent.—we'll be turning out a mammoth tanker or equivalent every two months," say executives. Ships are being delivered up to six months *ahead* of promised delivery date, and profits are correspondingly "excellent."

Superb going

Nippon Kokan reckons to work off its original investment at Tsu of yen 30,000m. (over £35m.) "in five to six years." This is superb going by Japanese standards, where output rather than profitability has typically been the main object of industrial companies.

Evidence of efficiency is readily available. Going round the yard, one sees hardly any workers. The heavy steel plates are brought into the stockyards by only one or two crane operators, perched inside their glass control boxes, swinging backwards and forwards beneath their heavy duty cranes. The shot-blasting of the steel plates, the marking of them for cutting, and then the cutting and welding operations into "blocks" of up to 200 tons are all performed by computer-controlled machines.

Looking across the exceptionally clean hull shop one sees in

Kiyoshi Shimizu, one of Japan's fastest-rising young executives, was assigned as Tsu Shipyard's general yard manager when he was only 49 years old

the distance only the odd worker, or two or three together, bending over a plate or assembly job. These take care of the small chores which no machinery can yet quite handle: checking and rechecking the automated work. Their black hair sticking out from beneath their helmets, these young workers with their fierce faces and strong bodies are working only seven-hour days—though six days a week, "plus an hour or two of overtime."

Outside the yard are parked serried ranks of cars, for most of them can afford to ride to work in their own cars. Efficiency has brought high wages, "well up to European levels"—in excess perhaps of yen 130,000 a month or £150 a month, for the "regular" workers, as opposed to those employed on a "temporary" basis or by subcontractors.

It is not, however, so much the spectacle of relentless Japanese efficiency which surprises one as the little touches round the works, the small effects which are exclusively Japanese. At the yard office, for example, there is a very careful reproduction of something like the famous Ryōanji stone garden in Kyoto. It is the best reproduction of a Zen stone-garden which I have seen in any Japanese company office.

Above the Zen garden, in the main conference room for executives, is an extraordinary doll-like figure in a glass case. Clad in sweeping white robes, and with the face of a devil in the tradition of the *Noh* plays (which derives from the 15th century), this was a figure of *Kokaji*, the traditional blacksmith and sword-maker—and the natural "patron" of men who weld metal and make ships. Few Japanese executives would be found visiting the Noh theatres in Kyoto or Tokyo more than once or twice in their lives: yet something of the tradition lingers on within the blood—and hence this "doll" in its glass case, safe from dust.

Japanese tradition was present, also, in the explanatory remarks of shipyard executives. Nippon Kokan was considering a plan to build a second, and much larger, dock next to the present one, and also on reclaimed land, it was said. Ideas for this new dock had not yet been fixed. But Nippon Kokan is looking over its shoulder at one of its rivals, Mitsubishi Heavy Industries, which will shortly complete a massive new dockyard at Nagasaki. This so-called "one million d.w.t. dock," will specialise in building ships of around a quarter of a million tons d.w.t. Nippon Kokan does not want to be left behind, and displays all the fantastically competitive drive of the first-class Japanese firm in this respect.

New facilities

Mr. Kiyoshi Shimizu, the yard manager, went on to explain that Nippon Kokan wanted to build new facilities, but "at the same time to phase out the old ones, as they do at the Ise Shrine." What he was referring to was the most celebrated of Japanese Shinto shrines, only a few miles from Tsu, which is completely rebuilt every 20 years, the old buildings being taken down. The analogy was not a perfect one—Nippon Kokan plans to build ever larger docks, while the size of the Ise Shrine has been fixed for more than 1,000 years.

In a visit to Tsu, then, one received several indications of the growing importance of Japanese tradition to the typical forward-looking executive. Increasingly he is taking a pride in Japanese institutions, in the Japanese way of doing things and in Japanese culture. Confronted for 20 years by inscrutable western faces, he is just that much more inclined than he used to be to depend on his own unique cultural background.

Noseblowing—a neglected management art

BY A CORRESPONDENT

THE APPROACH of winter has caused me to reflect on the neglected accomplishment of noseblowing, which is by no means what it used to be. How seldom we come across a really impressive noseblower! There was a time when it was not infrequent for a man to blow his nose in a challenging, important and decisive manner.

I belong to the numerous class of weak and ineffective noseblowers. I have often wished to overcome this failing. But no matter how much I practise so that people will listen respectfully to my performance, I cannot achieve the dignified and resounding blow for which my father was noted. I think it was something learned early in life, like the adroit management of a walking stick. My noseblowing effort is more a kind of convulsive snort which I feel to be ridiculous and does nothing for my image.

However, I know one man who is helping to keep up the standard, but rather secretively. Each morning, as regular as the clock, he gives his nose a very loud and thorough blowing. The note he produces is not quite first-class, but the sound penetrates the ceiling of my room and saves me the trouble of looking at my watch.

He is a man who takes the matter quite seriously. He told me that he spends time over it because his ideal is to blow his nose so thoroughly each morning before departing to his office that his handkerchief can remain purely ornamental for the remainder of the day. If he can possibly do so he aims to avoid blowing his nose among his business associates, in order not to impress them unfavourably. For him, noseblowing is something to be done in private (he does it in the bathroom) and never in public.

Everyone to his taste, but his view seems to me to argue a certain lack of confidence. His effort is creditable enough to be brought into the open, even experimentally — I bear much worse. Besides, it is possible that his business associates may eventually remark to each other, "Odd thing about that man. He never blows his nose."

The effect of noseblowing on others depends on how the nose is blown. A furtive snatching at the handkerchief and a muttered "Excuse me," followed by a skittering half-sneeze is most unimpressive and makes people think: "If you want to blow your nose, for heaven's sake make a good job of it!" Deliberation is much more effective: ignoring the matter in hand, taking out the handkerchief (preferably an aggressively big one), looking into it reflectively, applying it carefully to the nose, then emitting a resounding bugle note which carries a long distance like the siren of an Atlantic liner, giving a few final touches to the organ and stowing away the handkerchief with decision—these things can be most effective and if done well most prepossessing.

It must always be remembered that impressive and resonant noseblowing can only be used to advantage when there are not other good noseblowers around. If several people blow their noses together, however impressively and resoundingly, the effect is not only impersonal but startling. As with other things timing is very important; otherwise bad feeling is liable to arise. No ambitious noseblower likes to suspect that somebody is trying to outdo him or drown him out. Nothing is better calculated to ruin an amicable Board meeting, for example, than a sudden chorus of nose blowing. Care must be taken to get one's blow in first—especially if it is a very good one with sarcastic implications. The judicious Board member would choose the right moment and blow his nose powerfully, resoundingly and effectively, perhaps when the chairman is saying: "Though the figures for the past year may appear most discouraging I believe I am not alone in feeling that the decline we have experienced is not without an element of inspiration for the future."

MBO film

EMI's latest film in its Management by Objectives series will be launched this month. Called Focus the Future, it deals with long-range planning, and outlines a simple framework for senior management in introducing this kind of planning.

Conference round-up

● *Successfully Managing the Smaller Company.* November 23, in London. Takes directors and senior managers through sessions on raising and controlling finance, forward planning and the managing director's job. Details: Financial Techniques, P.O. Box 3, Woking, Surrey. Financial Techniques is also presenting a two day course on *Finance and Accounting for Non-Financial Management* in London on November 16-17. Plans to give a basic understanding of finance and management, using three case studies. Covers key financial ratios, management accounting, control of liquidity, costing, profit planning, capital expenditure, information requirements and strategic planning.

● *Compressed Experience.* November 14-20, Grosvenor Hotel, Chester. This course uses a technique developed in America to give intensive learning experience to top managers. Two groups of participants manage the affairs of a company, with each executive occupying a different position every day. Details: Anne Shaw Organisation, 9 Curzon Place, W.1.

● *Facets of Management.* October-March, 1972, at Manchester Business School. Series of linked four-day courses, designed so that companies can integrate the training of their managers in different techniques within the same series. Details: Manchester Business School, Booth Street West, Manchester, M15 6PB.

EMPLOYEE BENEFITS

After the White Paper

BY DRYDEN GILLING-SMITH

AFTER THE White Paper, Strategy for Pensions, the Government intends to lose no time in spelling out the implications of its proposals. It has intimated that it will issue:

(1)—A pensions Consultative Document, probably by the end of this month, setting out the detailed conditions which occupational schemes will have to fulfill in order to obtain recognition. This is expected in the words of Sir Keith Joseph to have "green edges" so that there should be scope for changes if a good case can be made for them.

(2)—An official statement by the Inland Revenue on its future attitude to transfers of pension rights between different types of scheme. There is clearly a case for simplifying this legal framework.

It is in the context of these forthcoming policy statements that the current surge of interest in the White Paper proposals must be viewed. There are three main questions being asked.

Main questions

(1)—How far the Government is genuinely prepared to take account of the representations made by people who have to deal with pension problems at close range? Crossman in his time promised "consultation" but it was generally felt that he was impossible to budge on anything.

(2)—How far will companies make a determined effort to introduce the maximum possible improvements before 1975—not just the minimum needed for "recognition" purposes?

(3)—How much real power and discretion is the Government prepared to give to the Occupational Pensions Board and what sort of people will it get to run it?

These questions are all interlinked. The success of the Government's pensions strategy will depend on getting the right answers to all three. There must be a vigorous and determined effort by employers to satisfy employee needs and demands for better occupational pensions if there is not to be a resurgence of the political demand for bigger and better State pensions. What employers do will be influenced by the extent to which the State is felt to be helping or hindering the development of new ideas in company schemes.

A clear example of this "help" or "hindrance" aspect is to be found in the question that is uppermost in the minds of most of the company pension managers to whom I have talked in recent weeks. If a company has a final pay scheme, or a scheme under which earnings are revalued for pension purposes in line with national cost of living or average earnings increases, can some pension formula related to one of these types of scheme be substituted for the 1 per cent. of PAYE earnings (not revalued) laid down in the White

Sir Keith Joseph

Paper as a minimum for recognition purposes? Will the Occupational Pensions Board have the necessary power to look at any alternative formula and say yes or no to the company that proposes to use it?

Supposing an employee is earning £30 a week when the new State scheme starts in 1975. The 1 per cent. formula means that he must ultimately get 30p a week pension in respect of his service for 1975-76. This is what the State lays down as a minimum. Now his employer has a scheme which provides that this 1 per cent. will be revalued in line with changes in the retail price index over the years until he is 65. Assuming that inflation averages 5 per cent. per annum over 40 years between ages 25 and 65 this 30p would be revalued at £2.10. In a final pay scheme giving 1 per cent. per year of service, and where the employee has bad promotional as well as cost-of-living increases (let us assume the two together average 8 per cent. per annum), the ultimate pension paid in respect of this first year of service would be £6.30.

On almost any view one may care to take of future earnings patterns or inflation most of us would settle for a pension formula based on final or revalued earnings rather than on earnings at the date we originally received them, and this is the way the majority of pension schemes are now going. Even if we were to get only half or three-quarters per cent. final pay per year of service we would opt for this rather than 1 per cent. original pay.

What is worrying pension managers is the idea that they may have to set up a complicated system to keep year-by-year earnings records for each employee in order to prove in each individual case that the company scheme will give a much better pension than the minimum for recognition purposes. This would clearly be an unnecessary administrative nightmare at a point in time when the old fixed value pension is rapidly becoming obsolescent. One of the great advantages of the final pay scheme is that you need no more than an employee's current earnings and his date of joining the firm in order to calculate his pension.

If the Occupational Pensions Board has the power to say that a formula of x per cent. final pay, y per cent. earnings (revalued in accordance with price or national average wage increases) or z per cent. per annum paid by the employer into a money purchase scheme will satisfy the recognition test then company pensions managers can forget their current fears. Possibly the solution might lie in giving the trade union representatives some say in agreeing the final formula if it is at all marginal.

Which brings me to the crucial question of the composition of the Occupational Pensions Board. Eric Rogers of Unilever, writing in the current number of Benefits International, makes the important point that:

Break-through

In a number of countries where control of occupational pensions has in the past been much tighter than in the U.K., the somewhat rigid and unimaginative attitudes adopted by the authorities have sometimes operated against the interests of the employees they were intended to protect . . . and . . . have sometimes deterred employers from providing benefits they could otherwise have well afforded.

Sir Keith Joseph and Paul Dean have produced the framework for a breakthrough in state/employer co-operation to raise U.K. pension standards. There are many bridges to be crossed before this breakthrough can be achieved. The critical factors in success are likely to be employer attitudes and the calibre of the people appointed to run the Occupational Pensions Board, and of course their terms of reference.

With so many changes in prospect, the public's appetite for information on how the Tory pensions plan will work is great. Last night, Sir Keith Joseph addressed the Chartered Insurance Institute; next Monday, the Institute of Actuaries will be discussing the proposals, with Eric Rogers of Unilever leading off the discussion; and on November 12, Mr. Paul Dean, Parliamentary Under-Secretary, and two senior members of his team at the Department of Health and Social Security, Mr. Alec Atkinson and Mr. Peter Fennell, will make a full scale presentation of the White Paper proposals to an International Business Communications conference in London.

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A free vote after all

CONTRARY to the impression which the Government has been conveying throughout the past few months, there is now after all to be a free vote for Conservative MPs on the Common Market issue. In an ideal world of course there would have been agreement long ago between the two major parties that the Whips would be off. All through the many years that the question of Common Market entry has been under discussion it has cut right across party lines. Given the fact that the decision which is now to be taken will determine this country's future for decades ahead, that it involves fundamental change without any certainty of just what that change might be, it seemed right that Members of Parliament should be allowed to exercise their individual judgment. The Government has now at this late hour recognised this.

Tactical considerations no doubt played their part. After the outcome of the Conservative party conference it seemed certain, if there was any doubt before, that the number of "rebels" in the Government ranks would be considerably smaller than that of Labour MPs who would follow Mr. Jenkins in approving entry. Now it will be that much more difficult for the Labour party to force the pro-marketeers to choose between party loyalty and their convictions.

Yesterday's decision could also conceivably affect the course of the rather more difficult struggle which the Government will have to get the consequential legislation through the House. If a free vote does give it a bigger majority than it would otherwise have got, it should be easier to get this legislation through, for those who would seek to hold it up would then be trying to negate the clearly and freely expressed wish of the majority of the House. Whether things could possibly work out this way will only become apparent when the vote comes to be taken on Thursday week. That the decision of the Government was right in principle though, as well as possibly bringing some tactical advantages, there can be no doubt.

To what extent the Government move will make the debate more meaningful remains to be seen. That many MPs will at this stage change their opinion on the desirability of Common Market entry—as opposed to the way they may in fact vote—is unlikely. Just as in the country at large, opinions appear to be firmly set. Among the public there was a movement in favour of EEC entry in June and July after the negotiations were successfully concluded. But this appears to have been a once for all shift which has still left a majority opposed to membership.

The key appears to be the rise in food prices which seems to be outweighing the expectation of faster growth, higher social security benefits, longer holidays and shorter working hours. But economic considerations should not determine the outcome. A majority of the public actually believes that it would be in the national interest for this country to join the EEC. And this surely is right at a time when the U.S. has made it all too clear that it is much less willing to bear the cost and take the responsibility of securing the defence and ensuring the prosperity of the Western world. The real case for entry is that Britain cannot adequately secure her interests alone in a world facing a period of rapid change after the stability of the post-war era. It is the degree to which this belief, long and firmly held by the Financial Times, commands support among MPs which should determine the outcome of the vote next week, not the calculations of short-term party advantage.

Spending and saving

THE STATISTICS about retail trade and hire-purchase business in August, which were published a fortnight ago, suggested strongly that the Chancellor's July measures had an immediate effect on consumer attitudes towards spending. Credit sales of cars and durable household goods rose sharply while the volume of retail sales as a whole moved up for the second month in succession. But retail sales account for only about half of total consumption expenditure, which might therefore have followed a different pattern.

The full official estimate of consumer spending in the third quarter will only be published with the national income figures towards the end of the year. But the Central Statistical Office now publishes a preliminary estimate well in advance. It is based on incomplete data but has proved to be fairly accurate in the past and is unlikely to be far out even if the trend changed sharply during this period. It suggests that the volume of consumer spending, which rose by £136m. (in 1963 prices) during the second quarter, having fallen during the two previous quarters, rose by another £92m. in the third. In this period, like retail sales, it was some 3½ per cent. above its average level during the first half year.

High ratio

Consumption expenditure, like personal bank advances and other forms of consumer credit, was tending to move forward even before the Chancellor cut purchase tax and suspended hire-purchase restrictions, but it has now been given a further push. It remains to be seen when the national income accounts are published whether consumers succeeded in obtaining a larger real disposable income during the third quarter: in the first half of 1971, with higher prices more than offsetting the nominal increase in incomes, real spending power actually fell. The result of this fall at a time when real consumption was beginning to rise was a drop in the personal savings ratio, which was running during the second half of 1970 at an abnormally high level. If consumption continues to rise faster than real income it will drop further, and this could have unwelcome consequences for institutions which have been pulling in money at an exceptionally fast rate.

Unit trusts

There is little sign of this, however, in their latest figures. The Building Societies Association, for example, reported yesterday that despite higher withdrawals its members received an even larger net inflow of funds in September than in August and were able not only to lend at much the same record rate but to increase their lending commitments sharply. The size of the inflow clearly influenced the Association's decision to lower its recommended rates of interest. The latest National Savings figures, too, show no serious falling-off in the size of the net inflow; the movement, with high sales of savings certificates and premium bonds, took in no less than £231m. during the first half of the current financial year—much more (in money terms, at least) than for 20 years past.

The one medium that has not yet gained from the upsurge in personal saving is unit trusts: the net intake of funds was a mere £243,000 in August, the lowest for 10 years, and it recovered only to £2.6m. in September. This situation is the more remarkable because sales in the past have tended to follow share prices upwards and one must assume that some disillusioned investors who bought at the top of the market are getting out as soon as they see their money back. The trouble is due, in fact, to a high rate of withdrawals. Gross sales have been running above last year's and the withdrawals cannot go on indefinitely.

Britain's hard-pressed truck makers look to Europe

BY JAMES ENSOR, Motor Industry Correspondent

THIS is proving to be one of the worst years which Britain's truck industry has ever experienced. The slack economy and stagnant production earlier in the year cut into the general haulage business, and most hauliers are making poor profits. Some have even taken vehicles off the road, delicensing them to save expense.

As Peter Livesey, Ford of Britain's sales director, recounts: "The market spiralled downwards in November and December last year. We started by forecasting sales of 86,000 trucks for this year; but by April we had revised it down to 75,000 and we ended up planning for 65,000."

The relaxation of hire purchase controls and purchase tax which has revitalised the car market has not, as yet, had any effect on truck sales. Vans, which tend to be bought more like cars than trucks, have responded to easier credit and a recovery in business confidence even though they carry no purchase tax. Sales were 15 per cent. of the year's average in August, allowing for seasonal factors.

Production of the Ford Transit, which continues to dominate the medium van market (over 30 per cent. of this sector in the last few months), is buoyant. Ford expects the medium van market to grow by at least 10 per cent. next year as the economy recovers and traders need to renew their fleets.

Remains in doldrums

But the truck business, which though small in numbers is the source of most commercial vehicle profits, remains obstinately in the doldrums. In past recessions, such as the 1968 one, truck sales have recovered a few months after the first upturn in consumer spending. A month or so after the first signs of a consumer spree, manufacturing investment tends to pick up and within four or five months the building trade finds that it needs more construction site vehicles, distributors find they need more delivery trucks, and sales recover.

This year, though consumer spending—particularly on cars—has grown satisfactorily since July, there has not yet been any response in truck sales. The autumn will tell, for the upturn should appear in another two or three months' time.

There are, though, some good reasons for believing that there may be little sign of recovery until the spring. The own-account operators, such as the food and supermarket groups and the oil companies, who account for much of the demand for the heavy, long distance trucks, work on annual budgets. Their spending this year is largely committed.

Many of them, in addition, have been postponing their purchases because they hoped that the Government would announce an increase in the maximum all-up weight and a relaxation of the axle loading and spacing requirements for trucks on British roads. Mr. Peter Walker, the Minister for the Environment, has now declared that 32-ton trucks are large enough for Britain at present. But the hope remains in much of the road haulage industry that Britain may have to move into line with the Common Market countries eventually, with a maximum weight of 38 tons.

Meanwhile, much of the British truck industry is on short time. The middleweight business seems to have taken the biggest blow this year, and Leyland's Redline plant at Bathgate which produces in this range is now working only four days a week. Many of the other plants in the industry are working at a reduced rate or building up stocks in the hope that the market will revive. But as such optimism seems unjustified so far, more plants may have to slow down.

Back to the railways

Truck markets all over Europe are experiencing poor growth. There is no growth in demand for trucks at all this year in three of the largest European markets—and a decline in the fourth, Britain. The small growth in the van business in Britain this year is balanced by a contraction in Germany and Italy.

Demand for trucks and vans has shown very little advance in any country in Europe since 1969, which was the last year of good growth. Except for Britain, where van sales are expected to be a record and trucks should regain their 1970 levels, there is little prospect of any real growth next year either.

As a result, there is considerable overcapacity in an industry which had become accustomed to grow much faster than the national economy. Most truck producers, except for the strongest—which in a European context includes the three main British makes, Daimler-Benz and Fiat—will find it increasingly hard to earn profits.

There has been a genuine movement of long-haul freight back to the railways and waterways in several European countries. Some 80 per cent. of British freight is carried by road but in Germany the proportion is only 30 per cent. and in France only 40 per cent. In Germany, Rhine traffic is growing faster than autobahn traffic.

The first reaction of truck producers to stagnation in their domestic markets has been to export. France, which has a less efficient industry than the other Common Market partners, was the most obvious target: Mercedes now holds 8½ per cent. of the French medium truck business, Fiat—including its French subsidiary Unic—holds 17 per cent., and the Swedish specialists Scania and Volvo have captured 3 per cent.

The Swedish manufacturers have also been active in Britain, where their share of the truck business has grown by half to 3.3 per cent. this year. Much of the container traffic to the docks is now hauled by Scanias—but it is only at this ultra-heavy end of the market that the importers have had much success. Volkswagen has been attacking the medium van market, where imports have grown from 6½ per cent. to 11 per cent. of the market this year.

That this is unprofitable business can be gauged from the fact that the Swedes are selling their trucks in Britain at 16 per cent. below home market prices. Volkswagen has made a speciality of the caravan-conversion business where prices are more flexible, but it is hard to see how it can make much profit in the general van market.

The Common Market should, in fact, provide an exciting opportunity for the British commercial vehicle producers, particularly since Sweden will not be a member. On French insistence, trucks and vans were excluded from the Kennedy Round negotiations so they still carry a prohibitive 16 per cent. duty. Even so, Bedford, which assembles trucks in Belgium, has made a useful foray into several Continental markets—it holds 1½ per cent. of the French medium-heavy market, for example. Ford is now converting its Amsterdam car plant to assemble trucks and Leyland is putting first its Redline and later its heavy trucks into its Seneffe, Belgium, plant.

The British, as the table shows, are among the largest truck and van producers in Europe. There is no doubt that they hold a technical advantage over most of the Continentals in two important sectors. British medium trucks, such as the Bedford and Ford 12-16 tonners, are cheaper than the majority of European models of equivalent weight. Only Fiat, which still holds a huge share of the Italian market, and Mercedes could challenge Ford and Bedford here.

Different versions

The medium van, typified by the Ford Transit and Bedford CF, is another area of British strength. Ford has developed so many options and versions of the Transit that customers can almost design their own—something which is not yet possible with the more rigid Continental makes.

The strength of the Continental industry rests in the heavy motorway truck. Only Leyland can match the three largest European producers in volume yet, although Ford obviously has plans to move up into the "heavies" and Bedford will soon introduce a 32-tonner.

So far, neither Fiat nor Berliet have entered the British truck market; Mercedes, which has arrived, has made relatively little progress. The extremely low prices and the traditional close links between hauliers and suppliers—whether Leyland or one of the specialists, Foden, Atkinson or ERF—make it difficult to break into this market. Livesey of Ford remarks that if his company does decide to take on the over-28-ton market, it will be the toughest business it has ever entered.

Mr. Ron Ellis, Leyland's managing director (truck and bus division) echoes this view, even though his company dominates the heaviest sectors. "We have lost penetration to the Swedes, who now hold 6 per cent. of the heavy market," he said recently, "and we will lose more." But he added: "We intend to get into the Swedish market."

The industry is concerned that British regulations may not permit such large trucks as are available on the Continent, thus weakening the domestic manufacturers' position. Ford, for instance, might not extend its truck range upwards if the present 32-ton limit is retained, for it feels that it would need sales both in Britain and Europe to make the project worthwhile.

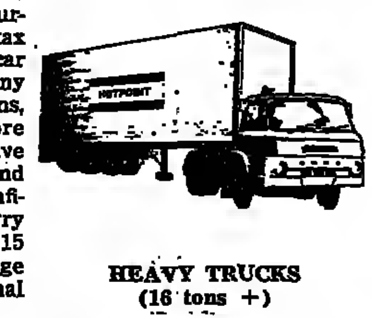
Battle will develop

Mr. Ellis of Leyland is less pessimistic since his company already exports trucks heavier than the British limit; but he regrets the fact that the industry might have to produce different vehicles for home and export markets. In the bus market, however, where British demand has sunk with the declining profitability of so many urban transport undertakings, overseas customers already demand different vehicles. Thus Leyland builds the Leyland-National integral bus and a new integral-bodied double-decker for British and European authorities, but continues with the rugged Comet for the expanding African and Asian markets.

A major battle will, inevitably, develop in the next few years between European and Japanese truck and bus producers for the underdeveloped markets, which are likely to show more expansion than the European. In Europe, competition for slowly growing markets may be even more intense.

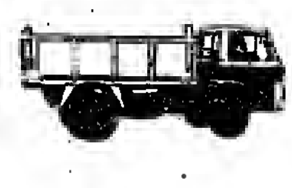
But the British manufacturers are well placed, for in the long run it is durability and service which will count and it is easier for a large company to establish a trans-European chain of service points than it is for a small one.

THE LEADING MAKERS OF COMMERCIAL VEHICLES (annual output)



HEAVY TRUCKS (16 tons +)

Leyland	21,000
Daimler-Benz	18,000
Berliet	16,000
Fiat-OM	15,000
Bedford	6,000
Scania	6,000
Volvo	6,000
Chrysler	5,600
Ford	5,500
Unic	5,000

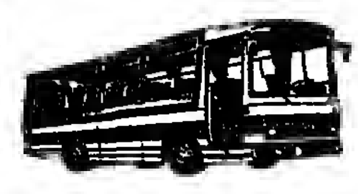


MEDIUM TRUCKS (6-16 tons)

Daimler-Benz	49,000
Ford	41,000
Bedford	40,000
Fiat-OM	30,000
Leyland	21,000
Magirus	10,000
Chrysler	9,000
MAN	8,000
Volvo	8,000
Saviem	7,000
Scania	6,000
Berliet	5,000

VANS & LIGHT TRUCKS (up to 6 tons)

Renault	104,000
Volkswagen	102,000
Ford	93,000
Fiat	88,000
Leyland	88,000
(also Land Rover	50,000)
Daimler-Benz	79,000
Citroen	67,000
Bedford	53,000
Peugeot	51,000
Chrysler	17,000
Opel	10,000



BUSES

Daimler-Benz	10,000
Leyland	6,000
Bedford	3,500
Fiat-OM	3,000
Magirus	2,000
Saviem	2,000
Ford	1,700
Berliet	1,000

Source: EIU Motor Business

THE MAJOR MARKETS 1971

	Trucks		Medium vans	
Britain	68,000	(−11%)	105,000	(+6%)
France	53,000	(no change)	81,000	(+2%)
Germany	92,000	(no change)	119,000	(−3%)
Italy	37,000	(+1%)	48,000	(−4%)

MEN AND MATTERS

Will they mix — as managers . .

If there were ever two rumbustious Boardrooms to be brought together, they are Allied Breweries and Trust Houses Forte. The THF troubles have been public knowledge for some while, and many felt the marriage could only be properly consummated when a second generation of management took control. At Allied, it is less than 1½ years since Mr. Joe Thorley, a traditional (at least till yesterday) Midlands beer baron induced peace in the Boardroom. Before him, during a period when the management of the group was for the first time fully centralised, Sir Derek Pritchard's reign as chairman had been stormy. After using a heavy Boardroom axe himself, he left when enough remaining directors tired of his very personal management style.

To this, there is the added problem of the Trust Houses trustees. They are there, with more than half the voting strength, to guard the character of the company, and this includes the duty (in the memorandum of Association) "to promote habits of temperance and to further by proper means the principles of public house management." Temperance does not, apparently, mean teetotal in this context, and there may also be a doubt as to how far the trustees' powers now extend if the possible merger becomes a bid battle. If the Trust deed of 1902 is fixed only on the original assets, then possibly only one pub, at Codicote, in Hertfordshire, is left of these assets. For the moment, though, Allied assumes that it must satisfy the Trustees.

Chaired by solicitor Lord Hacking, the trustees are Mr. Hugh Astor, Lord Bridgeman, General Sir Nevil Brownjohn, Mr. John Boyd-Carpenter, the Marquess of Exeter, Mr. Reginald Popham, Mrs. F. C. Spurgin and the Earl of Westmorland. They are, in effect, appointed by the Trust Houses chairman, and their role has usually been a negative one. But on the recent question of whether Mr. Michael Pickard should continue as managing director, the trustees, though eight of the nine had been appointed before the merger, provided some weight in support of the Forte line, and Pickard stayed out, though remaining on the Board.

or entrepreneurs?

But should all the difficulties of the merger be settled, one then meets a problem, which is at the same time a strength, within the two companies—the large holdings and influence of the Forte and Showering families respectively. The Showerings may have been making cider since the 17th century, whereas Sir Charles Forte only arrived here from Italy when he was four, and opened his first milk bar in 1936. But for both, the explosive growth has come in the past 20 years. The entrepreneurial spirit is still strong in both and whether they can mix is an open question.

"We shall press on—after all, Rhodesia seems to be managing quite nicely on minority rule."

Fifth time lucky for Staflex?

Staflex International, makers of that mysterious and, until last year, very profitable product, fusible interlinings, has taken the occasion of a brighter set of half-year results to announce yet another change of managing director—the fifth change in seven years. The new occupant is Mr. William Rao, 42, an accountant, who has been finance director on the Board and instrumental in recent acquisitions by Staflex.

Mr. Sydney Morgan, the present chairman, was both chairman and managing director of Staflex from its foundation up to 1965, when he handed over the job of managing director to Mr. Derek Kartun. Three years later Kartun moved up to be deputy chairman, and Mr. Alan Dick, till then running the U.K. division only, took over.

Dick departed only a year later, in 1969, and Kartun resumed the functions of managing director. Then a year ago Mr. Bernard Hansom, chairman and managing director of the all-important consumer products division of Wilkinson Sword razor blade makers, quit after disagreement with the ruling Randolph family, and soon after moved into the Staflex job. Now he too vacates that chair, "to concentrate on long-term planning and development" for Staflex.

Rao joined Staflex in 1967 from Fisons, where he had been finance and production director of the pharmaceuticals division. Most of the year 1969 he spent in Holland for Staflex, reorganising its Dutch company. K.Y.S.W.

He was also involved in the acquisition of the Bellow clothing equipment concern, where he is still the Staflex representative on the Board. With this close involvement in key areas of Staflex, Rao may have a firmer hold on a job that one or two of his predecessors have apparently found hard to grip, with both the chairman and the former deputy chairman (still on the Board) having held the post before them.

Silly answer

Three men were sitting in a row on a park bench in the middle of Hyde Park. The two men at each end had their right arms extended and bent, and occasionally jerked them upwards. A passer-by, intrigued, asked the motionless man in the middle what his two companions were doing.

"They are fishing."

"But there is no fishing here."

"Oh well, in that case I'll row them on a bit."

Observer

New Zealand

Financial Times Survey

A time for flexibility

By J. D. F. JONES, Foreign Editor who has been visiting New Zealand.

The New Zealanders have been waiting for at least ten years to know whether Britain would go into Europa and if so what it would mean to them, so it is not surprising that when Mr. Rippon brought back the Luxembourg terms in June the response in the Dominion was an unmistakable sigh of relief. Not, of course, that the future was assured, but—or so the great majority seem to bave agreed—the terms could have been so much worse.

Admittedly, there has since been just a touch of backlash. Mr. Marshall, the Deputy Prime Minister and the most overworked man in Australasia, was compelled for obvious political reasons to proclaim a triumpb of an agreement wbich, by the cold light of day, was bound to fall far short of that; his Premier, Sir Keith Holyoake, mindful of the election which must be held by November of 1972, agreed with him. But the leader of the Opposition, Mr. Norman Kirk, bas since found it necessary to reject the Luxembonrg terms with an insistence which probahly owes less to political judgment (be is certainly not responding to pnblic feeling) than to a personal conviction that it is the Opposition's duty to direct the most searching criticism of Government policy—and thus in this case of British Government policy as well. Mr. Kirk, encouraged only by the later tactics of Mr. Harold Wilson in Westminster, has speot much of the winter in dispute with the British High Commissioner over such matters as whether 70.8 per cent. or 70.2 per cent. of New Zealand's present level of dairy exports will have assured access to Britain in 1977, depending on whether you do your sums according to the Brussels or the London milk-equivalent conversion factors.

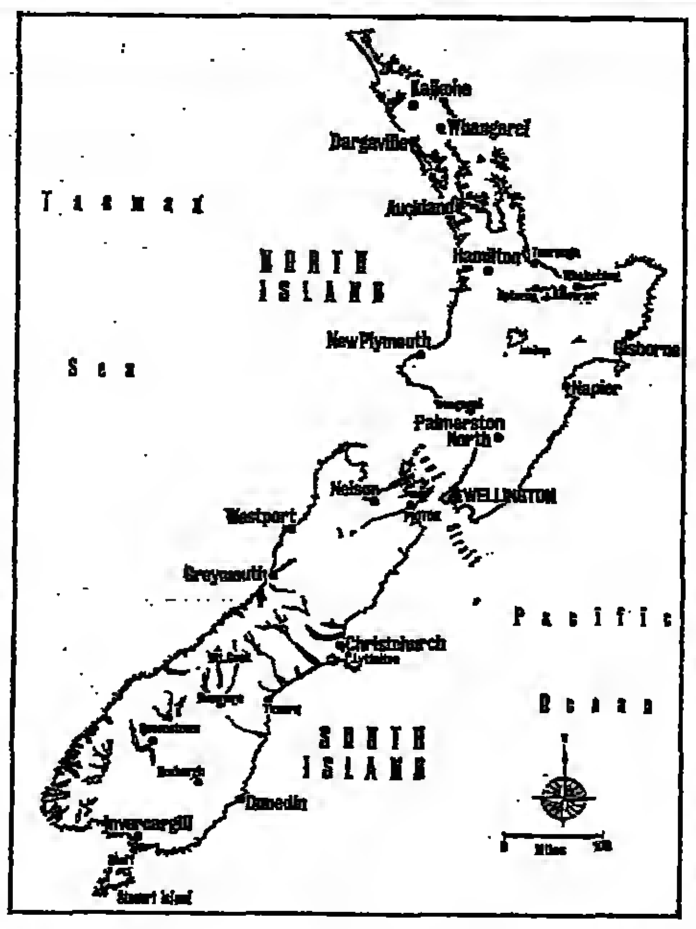
It is hard to heileve that Mr. Kirk has an election winner on his hands, though he can presumably console himself for the long uphill slog with the hopo that his opposition to Luxembourg may hear him in good stead if ever the economy comes to grief in apparent consequence of Britain'a entry into the EEC. The same presumably might be in the mind of the Finance Minister, Mr. R. D. Muldoon, who bas lately provoked a mild scandal by saying harsh things about the terms brougbt hack hy his colleague (and rival) Mr. Marshall. The two are contenders for the succession to Sir Keith Holyoake; Mr. Marshall told me last week that "Mr. Muldoon's description of the Luxembourg terms as 'unacceptable' is itself unacceptable." It is at least possible that, as a direct result of this clash, Sir Keith —wbo is one of the Commonwealth's less impressive Prime Ministers, bnt is at the same time one of its most astute politicians—will be able to carry on in office for a further term after November, 1972.

Butter price

Parish-pump politics this may well seem, but the implications are considerable because sooner or later the New Zealanders are going to have to face up to the fact that the Luxembourg terms, *comparatively* welcome though they may he, demand urgent and dramatic action over the next five years if the country is not going to hit serious trouble by the 1980s. For the present, four months after Luxembourg, it is remarkably hard for the visitor to Wellington to detect much sign of urgency, let alone action in the capital. The general relief which greeted the terms may possihly have postponed second thoughts and deafened the New Zealander to Mr. Kirk's warnings; equally, there has since heen a superh irony—a consolation from the gods!—in that the butter price has soared to £500 a ton this month, compared with the £300 of the late 1960s, and so made havoc of earlier gloom-ridden calculations. Navertheless, the bara facts of New Zealand's position cannot be evadod for ever.

The Dominion's dependence on the British market is notorious: 90 per cent. of its hutter to the U.K., 75 per cent. of its cheese, 86 per cent. of its lamh, together representing one-quarter of New Zealand'a exports. This is the way Mr. Marshall has chosen to express it, and be is perfectly correct to do so, except that this presentation plays down the shifting trend which bas heen hard-won by the Marketing Boards over recent years. It can be put differently: to take just one example, the figures show that butter shipments to Britain in 1970 were less than ten per cent. of total export earnings, and were actually exceeded by meat sales to the U.S. or by animal product sales to the EEC. It is also immensely relevant that the butter "mountain" of the Brussels Community really does seem to have disappeared, at least for the time being. The important point is to get the argument away from hutter or cheese as such and hack to the very fundamental of New Zealand's situation which, put crudely, is this:

New Zealand grows the best *grass* in the world. Grass can be converted to protein; protein can (one imagines) be sold in a hungry world provided only that the grass/protein conversion is efficient. In the past, New Zealand has chosen to do the hulk of its conversion via milk and sheep (wool as well as lamb, of course—and incidentally it is in New Zealand that a method was recently discovered of making wool edible). The first of the problems the Dominion is now facing is to make a top priority of flexibility and to be prepared to switch the techniques of protein conversion.



Thus, dairy products are threatened with loss of markets in Western Europe; the Japanese bave disappointed Wellington's bopes of a large dalry market hecause the Japanese farmer is himself switching to dairying in consequence of the country's new rice surplus; the wool trade is notoriously in difficulties; and prospects for lamb sales to Europe will be subject to all the uncertainties of the EEC tariff round the U.K. market.

The answer to all this will have to be flexibility, both of product and of market, and it is encouraging to find how much work is already being done along these lines.

Changing trend

There will possibly have to he extensive switching of the use of land: the running of cattle among sheep, for example, for the sheep farmer is already hearing the hrunt of the changing trend; new markets have been discovered in South America and demand to he developed; a new caution will inform all future speculation about the potential in Japan; and dairying will explore a hundred new areas for casein, for special butters, for new milk powders, and so on and so forth.

Green Revolution

At the same time, there will will have to come a long-delayed acknowledgement that the world does not owe New Zealand a fat living simply hecause the rain falls and the green grass grows. One of the more irritatiog things about New Zealand is that most people there still insist that there can he no national prohlem "so long as the world is hungry and we have the food to sell." This is an argument which tends to play down the significance of Asia's Green Revolution, and also assumes that the New Zealand price is automatically acceptable simply because it is the price of an "efficient" industry. It is always bard to persuade a New Zealander that the world is not compelled to accept his produce simply because be is a low-cost producer: after all, New Zealanders will defend the protection they give to their manufacturing industry against "low-cost industrial countries" and insist that this is a totally different matter from the protection some countries give to thair high-cost farmers.

The point ahout the urgent necessity of flexibility of agriculture needs to be laboured because it would be dangerous to rely too much, as is the tendency in some quarters, on the potential of New Zealand home-hased industrial sector, which has lately heen producing a batch of good-looking successes. Much is made of the forest industry, the pulp and paper, the carpets and refrigerators, and a wbole random assortment of manufactures. Yet industrial exports can never hope to make a truly significant showing in comparison with the traditional agricultural sales.

The most satisfying news of the last couple of years is that the Nafta free trade agreement wlth Australia (see a later article in this Survey) has been working rather well after the mutual suspicion of early years. Particularly important is the "rationalisation" under which various industries are getting together across the Tasman so as to improve their efficiency. Yet even seen from the viewpoint of 2½m. New Zealanders, the Australian market of 12m. is not so sensational, and as for the wider Pacific-basin area there is still a hesitation in New Zealand to risk proof of its claim that its manufacturers bave graduated to international standards of sophistication and efficiency. The extensive import licencing system is now heing reviewed and will eventually be dismantled but there is a long way still to gn before the cnuntry has a new tariff system. Obviously the counlry is right to persist with the develnpment of its manufacturing industry hut it is not surprising that even the most sober officials admit to being more excited by the potential value of the mineral discoveries. And at all times, the priority must be agriculture.

It may be rash to make too mucb of this necessity of urgent re-examination of the economy and, in turn, of the country's role and function. As every visitor knows, there is a special quality of life about New Zealand whicb its enemies unfairly dismiss as dullness, isolation and parochialism but which gives panse to the usual assumptions of maximisation of growth and of efficiency. New Zealand enjoys a relaxed and quietly prosperous style. It is particularly interesting to discover that it now has a strong conservation movement which has already succeeded in checking, or at least querying, a number of major industrial projects. Here—in questioning whether a lake should be dammed, wbether a smelter he built, whether a mine he developed, whether a casino he permitted—the New Zealanders make one wonder whether, in their obvious and understandable concern to preserve their islands as they are now, they might be perfectly happy to amble along on the hope of their agricultural viability, opting out of the harsh demands nf adjustment and restructuring.

Nowhere, though, does the New Zealander's world threaten to change more rapidly and alarmingly than in his international relations, in particular with Britain. Now that the terms of EEC entry are knnwn New Zcolanders are increasingly concerned tn ask visitnrs about the implications not just for their own economy but, even more important to them, their relatinnship with the mother-country. There is considerable and manifest concern about the future nf the Anglo-New Zealand association.

No other country on earth feels so close to Britain and it is no wonder tbat people are asking, in real distress, whether the Luxembourg terms represent some final spasm of sentiment on Britain's part after which she will press on into Europe and spare scarcely a thought for the Antipodes. Realism may exist at the commercial and economic level (New Zealand no longer even pretends to favour British products in return for the years of preferential entry her exports have enjoyed in the U.K.). But for most New Zealanders, worried, uncynical, bewildered, slightly frightened, there is a trauma which may even turn out to be the hest means to producing a necessary and so far ahsent sense of urgency in the Dominion's national affairs: *will* there, always, be an England?

BASIC STATISTICS

Area:	103.736 sqnare miles
Popnlation:	2.82m.
GNP:	£2,222.9m.
GNP per capita:	£786
Trade (1970):	
Imports:	£519.5m.
Exports:	£511.3m.
Imports from U.K.:	£129.3m.
Exports to U.K.:	£203.6m.
Trade (1971):	
Imports (7 months to July):	£318m.
Exports (7 months to July):	£343.7m.
Imports from U.K. (8 months to August):	£95.9m.
Exports to U.K. (8 months to August):	£169.4m.
Rate of Exchange:	£1=$NZ2.14.

NEW ZEALAND II

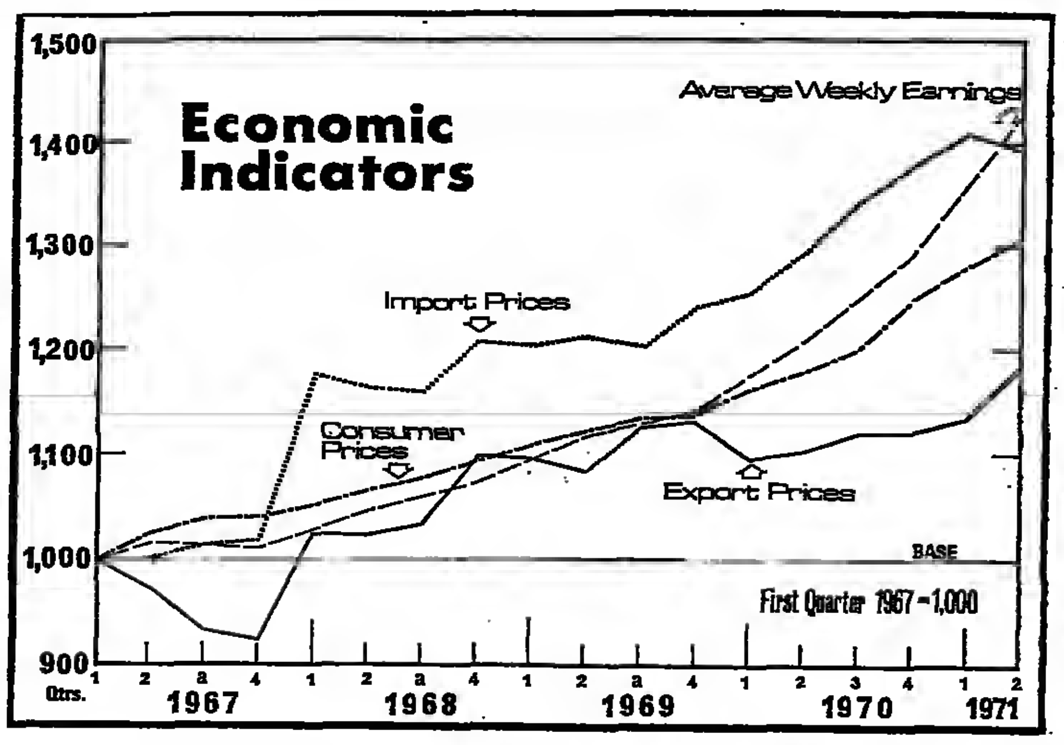
Little success against inflation or stagnation

By DAI HAYWARD, Wellington Correspondent

Continued rapid inflation, although at a slightly slower pace than last year, and—despite record overseas reserves which bave jumped 60 per cent. since the end of last year—a stagnant economy largely as a result of tight monetary controls, cutbacks in government spending and deflationary measures are the main features of the overall New Zealand economic scene.

Inflation is still high, dangerously so, and although there could be some slight improvement towards the end of this year inflation in the year ending March, 1972, is likely to run at 10 per cent.

Just two weeks ago the Government statistician revealed that consumer prices had increased by 11.1 per cent. for the year ended September. Food prices, boosted by higber prices for beef, eggs and bntter were 9 per cent. higber than at the same time last year. These, along with higher costs of furniture, bus end rail fares, fuel and lighting put the consumer price index up 2 per cent. in the previous three months and contributed to the 11.1 per cent. increase for the year.



The Prime Minister Sir Keith Holyoake described the latest increase in consumer prices as "very discouraging." The Government had boped that its financial and fiscal measures would bave kept the increase at a mucb lower level. If Sir Keith was surprised at the record rise in the consumer price index he sbould not have been. Housewives, seeing price increases on practically every commodity, could have told him the position in the retail world.

Wage target

The Government's policies to try to bold prices bave at best only been partially successful, wbile efforts to restrict wage increases within a 7 per cent. guideline are only just sbowing some slight effect. As part of its remuneratioo policy the Government fixed 7 per cent. as the target for wage increases but allowed scope for unions or industries which had heen left behind by their more militant and aggressive colleagues to catcb up.

Wages and salaries increased by an estimated 21½ per cent. during 1970-71 and are expected to reach e 17½ per cent. increase during the current year. At first sight this 17½ per cent. forecast eppears to make nonsense of the Government's boped-for 7 per cent. However, about 10 per cent. of the estimated increase in the wage bill this year is for rises negotieted or agreed before the Government brought in its remuneration policy, or for workers in those industries who have fallen behind and are entitled to make up some of the leeway.

While New Zealand bas been trying, with only limited success so far, to slow down the galloping infletion, the economy bas become virtually stagnant. Indeed there are signs that tha efforts to dampen it down have now gone too far and that the Government will be closely watching this situation in the next few months. Its edvisers are boping that the higher incomes which dairy farmers can expect for the next few months and a substantial beck-paymant to State employees may he sufficient to keep the economy ticking over.

Labour shortage

The Government will be under increasing pressure to inject more activity into the economy, and if it can do this wbile bolding prices there should be a slow long-term improvement, but it is unlikely to be entirely successful. Wage demands are still excessively bigb. Some of those now being sought in key industries are for increases of up to 25 per cent. At the same time there is a abortage of labour in key industrial areas, a paradox et a time wben unemployment is again climbing. Since March unemployment has steadily increased, until at tbe end of July there were 4,136 registered nnemployed—more than double the July, 1970, figure of 1,700. At the same time the number of vacancies in industry recorded by the Government Department of Labour was over 3,000. As a result nf Government appeals and a growing awereness of the inflationary dangers, the employers have reduced their efforts to outbid eacb other for available labour.

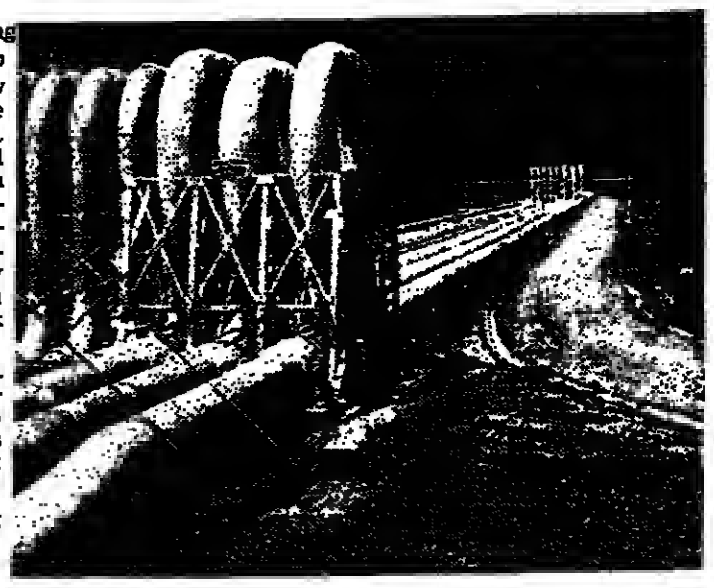
One effect nf the rapid inflation over the past year has been a much higher level of taxation for the Government. Some ecooomists are starting to criticise their Treasury colleagues for not baving foreseen the tax bonanza whicb would result from the higher wage levels.

There is also a growing feeling that the Government's effort to cut back on spendiog have now gone too far, particularly in the field of new school buildings, health and some other vital Government projects which have virtually come to a standstill. Although the Government's own wage hill has increased through the inflationary period, this has been more than offset by the increased tax revenue.

Nor have Government departments heen slow to use higher wage bills as a reason to put up their own charges, such as postal, telephone and transport costs.

The Government's dampening down of the economy, which is expected to become even more aluggisb during the next few months, is set against record overseas reserves which at the eod of August reached $502m. during the past 12 months. Since August, 1970, they have climbed from $332m. to $502m. —an increase of more than 50 per cent. on the 1970 level.

The increase in overseas reserves for the qnarter and the year ended June, 1971, was $86.7m. and $114m. compared with $12.3m. and $20.4m. at the same period last year. During the June quarter a favourable balance on trade transactions of $104m. was recorded. Helped hy an improved deficit on invisible transactions, this doubled the current account surplus of the previous year to $51m. for the quarter. However, for the year ended this June there was a deficit of $14.3m. on current account—mainly caused througb higher import paymants—compared to a surplus of $61.5m. last year.



Steam pipes leading the two miles from Thermal Valley to power stations at Wairakei.

Meat continues to be the main aource of overseas funds, but there are some danger signs in New Zealand's international meat trading. Since April wholesale prices for NZ lamb at Smithfield have been falling and some industry experts forecast lower returns for lamb farmers during the opening weeks of the new season, which hegan in mid-October.

Meat receipts actually fell by $1m. in the year ended June. The 28 per cent. increase in shipping rates on lamb (and dairy produce), the meat levies imposed on New Zealand lamb entering the U.K., the slowdown in mutton sales to Jepan since the 20 per cent. freight increase last September and other factors influencing revenue from meat sales, could have an adverse effect and bring to a sudden halt the soaring increase in meat revenue upon which New Zealand has become so dependent over the past few years.

Althougb wool production increased by 1.8 per cent. during the 1970-71 aeason, wool receipts fell by $9m. and, despite plans for reorganising wool marketing, these in themselves are unlikely to prodnce an increase in actual selling prices, at least for some time ahead.

Dairying is enjoying a sudden boom—thanks mainly to the world shortage of bntter and the numerous price increases on the Britisb market over the past 12 months. But while the immediate return to the dairy farmer and to the New Zealand dairy industry is higher than was anticipated a year ago, there is a danger that the country and the industry could be lulled into a false aense of security on the dairy front by prices and receipts which could be of a short term nature.

New Zealand is still largely dependent upon its farming economy, and despite strenuous efforts to boost manufactured exports tbe economic structure ia such that farming will continue to be tbe rock on which the economy is based.

If it can hold its internal cost atructure and retain its position as the world's most efficient producer of dairy and meat products, New Zealand hopes thet Britain's entry into the EEC will not overlook thia basic fact and tbat its primary products will be allowed to compete on equitable terma for their continued share of the British and other markets.

However, internal cost structure inflation must be curbed end so far the prescriptiona applied have bad only e minor effect. In applying these prescriptions the Government has controlled credit to a degree wbere it is causing considerable concern and anxiety among bankers and businessmen, curtailed internal expansion and produced an economic climate in whicb businesses of all sizes are restrained and suffering from tight liquidity problems, reduced activity and a slowdown in building and other capital works.

The general stagnation in the economy bas been created by tigbtening the screws, but it could be stimulated again by easing the screw in the other direction.

Luxembourg terms

The terms as laid out in the Government White Paper of July 1971, are outlined here:—

Guaranteed New Zealand dairy exports to the U.K. will be run down progressively to 71 per cent. of their present level at the end of five years under the formula agreed.

This final figure would be equivalent to 80 per cent. of current butter exports and 20 per cent. of cheese.

After five years guaranteed cheese exports would he terminated altogether, but provision was made for an extension of the arrangement for butter. The butter situation would be reviewed in the third year after British membership.

In the light of this examination, the Council of Ministers of the Ten will decide on suitable measures for prolonging the exceptional treatment being granted to New Zealand beyond the end of the five-year transitional period.

The review will also take into account world supply and demand for butter, and in particular, the situation in the Community and New Zealand. Other elements to be taken into consideration include progress towards an international dairy agreement, and the success of New Zealand's efforts to diversify its export market for butter.

The price level for guaranteed butter exports will be based on an average of the levels prevailing in the four years 1969-72 inclusive.

"These agreements have been accepted by the New Zealand Government as adequately safeguarding her interests and as a major concession by the Community. Although they have some reservations about the basis for determining the guaranteed prices (because they naturally wanted the best possible price), they have expressed their confidence that on the basis of this settlement New Zealand can meet the challenge of British membership of the Communities and have described the agreement as highly satisfactory."

Prospects for heavy industry decline

By KEITH F. C. HANCOX

In the wake of the Luxembourg agreement for Britisb entry to the Common Market many New Zealanders bave again turned their attentioo to the need for more diversification out of agriculture. They are turning to forestry, to tourism and to the light processing industries.

Yet only two years ago many were convinced that the days wben heavy industry and New Zealand could be regarded as antonyms were about to become something of the past. The country waa in the middle of a mineral prospecting boom, the share market made advances that were bettered by few, if any, countries, and the Dominion's first true heavy industry — the New Zealand Steel Company plant at Glenbrook, near Auckland — was about to produce its first all-New Zealaod steel. That project, and the giant aluminium smelter at the other end of New Zealand, were to have been the pillars upon which industrial development, at least for the next ten years, was to have rested.

But New Zealand bas had more than its share of problems. The steel mill bas had an extraordinary number of persistent teething troubles and the projected 200,000 tons of steel from New Zealand iron sands this year will not materialise. It is doubtful wbether production will amount to more than one quarter of the target.

The Comalco aluminium smelter — named New Zealand Aluminium Smelters because the project involves 50 per cent. Japanese capital—has also been the centre of a major controversy. New Zealand, temporarily secure in its isolated affluence, has suffered from the conservation movement so badly in the past 18 months that the nation—or at least some 27,000 New Zealanders who signed a petition to Parliament—has questioned whether tha smelter wbich will bring in a net $NZ25m. in overseas funds by the end of next year, sbould bave been built at all.

The Manapouri protest movement refers to Lake Manapouri on which is built the huge power station wbicb supplies electricity to the Bluff aluminium smelter at a price so attractive that Comalco, Showa Denko and Sumitomo Chemicals have invested $NZ100m. to smelt alumina sbipped from Australia.

The movement has been successful to the point wbere the Government has agreed to defer construction of a dam which would raise the level of the lake by 27 feet, thereby increasing the output of the Manapouri hydro electric station, but the dam is to be so constructed that it can, at a later date, ba increased in beight.

In April the Consolidated Mining Company of New Zealand announced the discovery of major concentrations of iron, vanadium and titanium at a beight of about 5,000 feet in the beart of the Fiordland National Park. Part of the find comprised a minimum of about 50m. tons of gabbo body containing magnetite, ilmenite and vanadium pentoxide, only three miles from Doubtful Sound—a spot ideally suited to the rapid development of a deep water port. Completely ignoring modern mining practices, the conservationist lobby was almost unanimons in vowing that the deposits, even if proved economic, would never be worked.

Bright spots

But in spite of widespread disenchantment over New Zealand's first venture into steelmaking—a leading Treasury official privately believes it will never amount to much and will become known as "largest galvanised barbed wire plant in the world"—and the intervention of well-meaning conservationists, there ara some bright spots on the borizon.

The year 1970 will probably be remembered for the discovery of the Maui gas field in the Tasman Sea some 40 miles south west from New Plymouth. Now revealed as one of the 15 largest gas fields outside the Soviet Union, the Maui field has been estimated by tbe American Oil and Gas Journal as containing some 6.5m. cubic feet of gas. But negotiations between the discovarers, Sbell, BP and Todd Oil Grnup, and the Government are still far from resulting in agreement.

In spite of interest which bas already been shown by Japan in purchasing large quantities of liquified natural gas produced from Maui, the Shell, BP, Todd group insists that development of the gas field will not be economic unless the Government agrees to purchase a large proportion of the gas brought ashore to fire thermal electricity generating stations. The asking price for the gas bas so far proved far too higb for the Government so at the end of last month the State Electricity Department leaked plans to utilise vast underground coal deposits in tbe Waikato to fire a massive power station which would replace the major station earmarked for natnral gas.

There bas been a temporary pause in drilling for oil, but the French company, Aquitane, which has an arrangement with large Australian and New Zealand lease holders expects to begin exploration again shortly. Meanwhile, the director of the geological survey division of the Department of Scientific and Industrial Research, Dr. David Kear, bas predicted the discovery of another large natural gas or light oil field on sbore, although he declined to be specific about the area.

New Zealand was a pioneer in the use of the Dominion's over-supply of geothermal steam to produce electricity. Although the one station built is still producing according to plan, geothermal steam as a source of power seems to have gooe out of fashion. Now the Electricity Department has turned its atteotion to other uses of the vast areas of super-beated steam beneath the thermal areas of the North Island. A joint Britisb-New Zealand study aimed at the production of heavy water in the early and mid-1950s was abandoned, but the Electricity Department bas again looked into the matter with a view to utilising the Broadlands steam field between Rotorua and Wairakei. A feasibility study for a heavy water extraction plant indicates that production costs using geothermal energy might enable New Zealand to compete on world markets, for as in most such schemes, the exchange earning possibilities, as much as the new technology, offer the lure. Discussions have been held with potential Australian, Canadian, Britisb and Japanese customers.

A world surplus of heavy water within a few years may well replace the present international shortage, but all will depend on a clear trend emerging in new breeds of, or fashions in, nuclear reactors, so a firm decision in Wellington on wbether to take the plunge into heavy water production is, probably, still some years away.

While aluminium producers the world over ponder a solution to the current glut on the world market, New Zealand is insulated from most of the effects of over-production because the agreement with Comalco, Showa Denko KK and Sumitomo Chemicals for the establishment of the Bluff smelter provide for the companiea to take all metal produced from the smelter on a take or pay basia, for not less than the installed capacity at any time. The Bluff smelter will be affected by the aluminium glut, but only to tbe extent that the rate of expansion from 110,000 tons (currently the smelter is producing at a rate of 73,000 tons a year) wbich will be reached by June, 1972, to 220,000 tons and eventually to 300,000 tons a year, will probably be somewhat slower than earlier anticipated.

However, in apite of the controversy of the electric power source and the somewhat muffled argument over foreign capital, a recently completed independent economic study by the Institute of Economic Research shows that even now the smelter ia at least twice the benefit to the country than was originally estimated by the Government. The institute's study by three bard-headed and respected economists, shows that wben the smelter is producing at a rate of 220,000 tons a year, New Zealand will gain a net $NZ50m. a year in foreigo exchange.

As ao example of "get up and go" the establishment of the Bluff smelter, once the agreement was signed with the Government, was something for New Zealanders long accustomed to lengthy delays in all such projects (New Zealand Steel is a classic example), to ponder. But there is another vast mineral exploitation project which has been got under way so fast that many New Zealanders are still wondering whether some sort of magic is involved.

In less than two years the Marcona Corporation of the U.S. in co-operation with the Wellington-owned and based Todd Group, has started to export vast quantities of iron sand concentrate from fields at Waipipi about balf-way between Wanganui and New Plymouth. While the Wanganui Harbour Board mumbled about raising a loan to develop an offshore mooring buoy to moor 70,000-100,000-ton bulk ore carriers, the Marcona-Todd company, Waipipi Ironsands Ltd., sank some $NZ13m. into the project. Tbe mooring facility was completed ahead of schedule and in less than three months nearly 200,000 tons of concentrata have already been shipped to Japan. Over ten years the $NZ70m. contract for the supply of 11.6m. tons of iron-sand to Mitsubishi-Shoji-Kaisba will oet New Zealand more than $NZ45m. in foreign exchange.

Bulk carriers

And as the iron-sand concentrate is pumped in an almost steady stream to the bulk carriers moored about a mile off sbore, the Wanganui Harbour Board is still talkiog about raising a loan and having the Government pass legislation to put the mooring facility under the control of the Board. But Wanganui does not pull enough weigbt with the present administration and is unlikely to greatly influence any futura Government, National or Labour, to the point wbere they will diveat the Marcona and Todd interests of a mooring facility.

Unlike the Marcona-Todd operation, a aimilar sized project by New Zealand Steel utilising iron-sand deposits at Kawhia about 200 miles north of Waipipi, to supply iron-sand concentrate to another Japanese steel consortium is still in the construction atage. Although the agreement was reached about the same time, lack of expertise and capital will prevent tbe first shipment from leaving before the end of 1972.

And so, problems over British entry to the EEC notwithstanding, New Zealand will remain basically a farm feeding the rest of the world. The Dominion will cartainly never become a mineral or industrial giant even allowing for the difference in size—like Australia.

New Zealand welcomes British investment and inventiveness

New Zealand needs investment from Britain to supplement New Zealand capital in the development of resources and the establishment and expansion of internationally competitive industries. The New Zealand Government is therefore seeking to attract and encourage investment from abroad; **especially investment which introduces advanced technology.**

FAMILIAR GROUND

British people and British capital founded the modern New Zealand economy and much of New Zealand's commercial and business practice is based on British precedent. British investors should therefore find it especially easy to operate successfully in New Zealand.

A SPIRIT OF ENTERPRISE

New Zealand has a settled community with a modern infrastructure. In addition it has an intelligent, co-operative and highly educated labour force. In its developing economy and expanding population there are increasing opportunities for investment which will yield attractive returns.

A BASE FOR EXPANSION

New Zealand is also a good base for export to countries of the South Pacific, to Australia and elsewhere in the Pacific basin.

Fair treatment for non-resident investors

REMITTANCE OF PROFITS

Investors are free to remit out of New Zealand dividends, profits and interest on invested capital, provided capital has been brought in through the banking system or in some other approved manner.

REPATRIATION OF CAPITAL

Government policy permits the repatriation not only of capital *but also of capital gains.*

Import Licensing and Tariffs

Tariffs are to be revised to provide adequate protection for New Zealand manufacturers as import licensing is removed over the next few years. For as long as it remains, import licensing will not prevent or inhibit export because replacement licenses are available for raw materials and components used in exported goods.

Regulation of non-resident investment

THE DUTIES OF THE RESERVE BANK OF NEW ZEALAND

The consent of the Reserve Bank of New Zealand is required before any company incorporated outside New Zealand can commence business in New Zealand and before a New Zealand company, whether incorporated or not, can borrow or raise money overseas.

The general rule is to permit overseas-owned companies to raise in New Zealand a proportion of their loan requirements equivalent to the proportion of the equity held by New Zealand residents.

There are, in addition, special arrangements for financing exports and for bridging finance.

GOVERNMENT APPROVAL AND OBJECTIVES

Approval of the Minister of Finance is required before a non-resident can acquire 25 per cent or more of the voting rights in a New Zealand company.

These regulations are administered in a manner consistent with the Government's objectives, which include ensuring that the incoming capital contributes to the growth and development of the economy and the efficient employment of resources: and preserving the freedom of New Zealand residents to employ or dispose of their property as they think fit.

No obstacles are put in the way of non-resident investors whose operations would benefit the New Zealand economy.

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For further information on investment in New Zealand contact:
THE NEW ZEALAND HIGH COMMISSION, NEW ZEALAND HOUSE, HAYMARKET, LONDON, SW1,
or if visiting New Zealand contact:
RESERVE BANK OF NEW ZEALAND, WELLINGTON

The High Commission will help potential investors by arranging contacts with other Government agencies from whom guidance and, in some cases, approval may be needed.

Tax treatment and promotion of exports

PROTECTION FROM DOUBLE TAXATION

New Zealand has a double taxation agreement with Britain which affords some tax protection to the British investor in New Zealand. An investor may choose to conduct a business in New Zealand through a New Zealand incorporated company. If the company also has the centre of its administrative and practical management in New Zealand (even though there may be some over-riding control in the United Kingdom) it would not be liable to United Kingdom tax on profits made in New Zealand.

If such a company concentrated on developing a high proportion of export trade it would get the following export concessions ● ● ●

● EXPORT MARKET DEVELOPMENT EXPENDITURE

An additional deduction is allowed for expenditure in promoting the export of New Zealand goods and services. The deduction which may be claimed is an additional 50 per cent of development costs over and above the 100 per cent ordinarily available. For each dollar spent on approved export promotion the taxpayer gets a deduction of DLRS 1·50 from assessable income.

● INCREASED EXPORT SALES

An exporter who increases export sales in any income year above the annual average of the value of exports in the first three of the five years immediately preceding the income year may claim a deduction from assessable income of 15 per cent of such increase.

There may be other tax advantages depending on the nature of the investment and the way in which it is made. For example: Under the N.Z.-U.K. Double Taxation Agreement most royalties derived in New Zealand by United Kingdom residents are subject to a 10 per cent withholding tax instead of the normal minimum tax rate of 15 per cent applied to such income derived by other non-residents.

To be sure of tax liability and concessions prospective investors should discuss details of any proposition with the New Zealand Inland Revenue Department.

PROTECT YOUR MARKETS IN NEW ZEALAND AND THE PACIFIC AREA

NEW ZEALAND IV

Cracks in racial harmony begin to emerge

By COLIN JAMES

New Zealand has long prided itself as a model in race relations, where two racea, wbite and brown, live together in harmony, without discrimination.

To a fair degree the claim has been justified. Where there was discrimination, it was isolated. Among the vast majnrity of New Zealanders, Maoris and pakebas (the Maori word for Europeans) have mixed easily and unselfconsciously.

But that was while the Maori was primarily a rural deweller, living close tn his relatives on the marae, or tribal community, and comfortably out of sight. Sporadic separatist movements and pleas for belp in the preservation of the Maori ldentity and justice in deallngs over Maori land could be, and largely were, ignored with impunity. A succession of white ministers nf Maori affairs hoped fervently that intermarriage would lead to assimilation of the Maori into white society and the "Maori prohlem" would disappear.

But now the Maori is beginning to assert himself, to demand a place in New Zealand culture and economic and social life for the Maori ethic. With this has come the seeds of racial tension.

During the past 10 years the Maori has become an urban dweller. The majority, ill-prepared educationally or socially tc handle the harsh condltions they find there, live in the conntry's main cities, Auckland, Wellington and, increasingly Christcburch.

Steady influx

At the same time there has been a steady influx of South Pacific islanders into Auckland and Wellington. Immigrants from Nuie, the Tokelaus and the Cook Islands, carrying the status of New Zealand citizens, can come and go as they please. Samoans, former New Zealand citizens, are subject to an unofficial quota, achieved simply by long delays in processing entry applications.

There are more than 45,000 Islanders ln addition tn the 225,000 Maoris. Together, they form about 10 per cent. of the total population of a little less than 3m. Auckland is the largest Polynesian city in the world.

Blatantly discriminated against by many real estate agents, they live in rundown central city areas, often overcrowded and charged exorbltant rents by white landlords (and, increasingly, by membera of their own race wbo have preceded them); or they live in sprawling soulless areas of state rental housing on the periphery of the cities, areas of small, unimaginative bouses, no trees and minimal recreational facilities. The result is that Anckland and Wellington now have sizeable incipient racial ghettoes.

For both the Maori coming from the rural marae and the Polynesian coming from the slower-paced communial life of tbe islands, the sudden plnnge into big city life is confusing and disorientating. Without the enveloping guidance of tha family and the tribe, he is thrust back on himself, nnable to identify with the wnrld he bas left or the work be bas come to.

Some bave succeeded in the economic system. But more than 80 per cent. of Maoris, hampered by language and sociological difficulties, leave school without any recognised oualification, compared with the 50 per cent. national average of those wbo pass the minimum school certificate at 15 or 16. One Maori in 1,500 ls at university, compared with one in 185 wbites.

Unemployment, although very low in total, is higher among Maoris than whites. At one recent estimate about 40 per cent. of the Maori work force was in manufacturing industries, compared with about 30 per cent. of the total population. The median income for Maori males in 1966 was $1,871 a year, compared with $2,191 for whites.

The same pattern is emerging among the Island population. The economic wastage is considerable.

It is the classic prescription for racial tension and is reflected in the high Polynesian crime rate. The Minister of Maori and Island Affairs for tbe past two years, Mr. Duncan MacIntyre, said in May of this year: "When Maoris form 10 per cent. of all New Zealanders and 40 per cent. of our prison population, we know thera is something wrong."

Militant groups

Two developments bave come out of urbanisation: the growth of young Maori and Island gangs, and the emergence of militant Maori rights groups. The gangs are known to the white newspaper reader primarily for the violence of some nf their members and it ia true that gang warfare and attacks have increased dramatically this year in Anckland. But at tbe same time they are for the most part constructive, organising their own recreation and even dolng community work free, slowly establishing for themselves a positive collective identity.

Parallel with this has been the rise of the working-class-based Maori Organisatlon of Human Rights, aimed at exposing discrimination and asserting the rights of the Maori and other national minorities, and tha tiny Nga Tamatoa movement, largely composed of university-trained intellectuals, which advocates Maori control of Maori lnstitutions and which hit the beadlines recently with a call for separate Maori Government to counter assimilation.

This radicalisation of the urban Maori has changed also the character and tactics of the Maori Council. Set up ln 1963 by the Government and hitherto dominated by the rural elders, the council bas all too often said what it thought the Government wanted to hear—keeping its criticisms to itself and trying to work behind closed doors with the Government.

That tactic failed to stop the passage of legislation ln 1967 which made it easier for outsiders to buy up small parcels of communally-beld land and which many Manris saw as the last atep in the dispossession of their land. Now, pushed from without by the militant groups and from within by a young, urban, intellectual group with close contacts witb the ordinary Maori, the council is beginning to give public voice to Maori aspirations.

In 1970 the council supported tbe All Black rugby tour of South Africa. This year it joined the growing demand among Maoris and the white "Left" for the embodiment in the Statutes of the 1840 Treaty of Waitangi (which promised Maoris tenure of their land but was ignnred by settler and Governments alike).

"We stand as moderste men, tbe mediatnrs between the old world and the new," tha council bas told the Government. "We urge wbile there is yet time that our voice will be attended to before the council ls impelled to take the hard line adopted by the emergent leaders growing up in the cities." Instead, an uncomprehending Government offers a Race Relations Bill which nutlaws discrimination, but does nothlng to prnmote and maintain Maori language or institutions.

Biggest problem

Uncomprehending, that is, except for Mr. MacIntyre, who bas recognised the validity of tbe comments of Professor J. Ritchle, who has made Maori culture his speciality: "The problem of prejudice in New Zealand ls the denial of prejudice. Our biggest problem is that we do not know how serious a problem we have." Mr. MacIntyre's solution is: "It is a matter of everyone being conscious of the fact that the European should go toward the Maori as much as tbe Maori towards him."

He himself has attempted to understand the Maori's position, needs and aspirations. He has spoken repeatedly of the value of keeping alive Maori language and customs, not as a curiosity, but as a living part of New Zealand society and the educational system. And, indeed, the white man can learn a lot from the Maori's paramountcy of emphasis on personal relationships and on the importance of the community and family in helping the Individual.

The Maori extremists still suspect Mr. MacIntyre of white cunning. But to the ordinary Maoris, this man who sleeps on a mat nn the marae and rides on the back of a gang member's mntorbike, who speaks to them bluntly but sincerely, is becoming acceptable. But bo is one voice in a Cahinet which is only slowly becoming aware of the magnitude of the problem. However, more ls being dnne in housing, welfare and guidance at grassroots level, in the special educational assistance to predominantly Maori schools, in trade training schemes, in the fostering of teacbing of Maori language and history, in the development of community schemes in tbe cities and in help for gangs.

More being done

More is being done. The gang violence and the increasingly vocal demonstrations by the militants have forced an awareness of the Maori nn the white community. But Dr. P. Hobepa, a young Auckland Maori leader, warns that the extremists are less than 10 years away from emulating tbe Black Power movements in the United States, to which they owe something in their ideology.

It would be an exaggeration to talk of American-scale problems in New Zealand. But the seeds are there. Already there are signs of a white backlash, a growing fear of the brown skin. The direction is away from cultural coexistence and towards isolation. And that would irrevocably explode the New Zealand myth.

Shipping rate rises will affect food prices

By COLLIN SEGELOV

A recently negotiated 28 per cent. increase in the refrigerated freight rate bas paid the New Zealand producer boards' fee for entry into a new era of association with the British conference lines, and doubles as down-payment on the eventual replacement of conventional cargo carriage with something close to the door-to-door container service, plans for which tha British lines scrapped earlier this year.

The record rise in the freight rste, agreement on which was reached only a week before its scheduled introduction on October 1 in a resumption of talks which failed to establisb even a basis for negotiation in London several months earlier, bas fetched widespread criticism of the British sbipping conference from farming and political quarters. Such criticism, however, reflects the domestic success of this year'a version of the traditional campaign to create a climate of pnblic opinlon favouring the New Zealand slde of the negotiations, and belies the new relationship established between the producer Boards and the companies with the means of continuing to feed wbat, in the light of special arrangement secured for New Zealand in the British negotiations for entry to the Common Market, will remain their major market for some considerable time.

Well satisfied

The Conference Lines' negotiator, Mr. D. Hnllebone, managing director nf the Port Line and chairman of the New Zealand Tonnage Committae, returned to London well satisfied witb the outcome of the negotiations in Wellington, even though the settlemeot was some 10 per cent. below the lines' opening price. He left nn doubt in New Zealand that the increasa nvercomes complately his public complaint earlier in the year that the outcome of the annual negotiations in recent years has not been satisfactory from the lines' point of view.

In fact, the rise has a fairly dramatic effect nn the lines' profitability, lifting the return from the 3.9 per cent. average of the past 15 years to fractionally under what the conference appears to regard as a right and proper return of 10 per cent., which is anticipated as next year's target.

For the New Zealand producer boards the 28 per cent. rise also proved satisfactory; although 3 per cent. up on the figure calculated as a fair compromise on the facts brought back from the earlier London talks, it was still 2 per cent. below wbat had been expected as the Conference Lines' absolnte minimum.

The increase in freight charges will effectively cut $NZ10m. from the returns for New Zealand meat shipped to Britain and Europe, and aome $NZ4m. from the returns for dairy produce, lifting the total freight bill to around $NZ4m. The meat producers will feel the effect most, Smithfield prices already under pressure from home grown supplies and claimed by the New Zealand farmer to be reflecting the July introduction nf the first instalment of the imported foods levy.

(This claim is based on the apparent fact that the levy is nnt reaching the consumer, and its effect on Smithfield prices is rejected by British officials to whom fresh submiasions were recently made in the annual discussions on agricultural pollcies.)

For the New Zealand dairy farmer, the effective loss of $NZ4m. in returns frnm tba Londnn market will be seen as a blow rather than felt, the world ahortage of dairy produce having brought about a supply and demand situatinn which even the eternal optimists of the indnstry could not foresee a year ago. The rise nf £25 per ton (£400) increase in the ex-store price nf New Zealand Cheddar which followed the British Government's September relaxatinn of the voluntary cheese quotas, if maiotained for a year, wnuld all-but cover the increase in freight charges, and it was the eighth rise in 18 months.

Under pressure to aid the farming industry with some sort of subsidy on domestic costs (wbich the industry's union, Federated Farmers, believes justified by the fact that the farmer gains nothing extra from bis essential earning of overseas exchange), the New Zealand Government bas sided with the less well infnrmed over the freight rate rise, bowever, with the Prime Minister, Sir Keith Holyoake, regarding it as "a bit of a shocker," and auggesting the Government may want to become involved in future negotiations. To Federated Farmers' president, Mr. A. C. Begg, the rise comes as "a staggering increaae with considerable implications."

But the critics nf the Conference Lines are still steeped in the scene-aetting for the negotiations ably handled—for the last time—by New Zealand Meat Board chairman, Sir John Ormond, who announced his impanding retirement recently alongside an attack on the British shipping lines for having expected New Zealand "to dance to thelr tune" first over the nriginal plan to introduce container shipping tn the service, and later in abruptly cancelling the proposals.

DELAYS TO BRITISH CONFERENCE LINE SHIPS

	1971 (days)	1970 (days)
Ships under-manned (days lost)	367	110½
No labour	196½	49½
Labour stoppages, stopwork, etc.	126	23½
Awaiting berths	236	84½
Other	61½	57
Total ship days lost	987	325

Denied benefits

The attack, hnwever, was nne intended to benefit bis side of the freight rate negotiations, and the expressed attitude nf having been denied the benefits promised by the conference's "selling" of containera is being maintained for a purpose. Also, chairman nf New Zealand's Shipplng and Exports Committee, Sir John can see as well as any accountant that a slowing of the rate nf increase in shipping charges will only be brought about by radical changes. Publicly, he canoot see why the British Conference Lines cancelled their plans, while less publicly he is working towards some solutions to one of the main infnencing factors, the situation on the New Zealand waterfront.

Tha Exports and Shipping Council recently produced a set of statistics on delays to British Conference Lina ships which is shown in the table.

Similar figuring, plus the removal of sentiment from the attitude to the New Zealand trade in the wake of the P & O Group's profitable problems, is behind the adoption of a more business-like hard line by the Conference Lines. Together with escalation of costs generally, and the experience of freight rate negotiations over the past 15 years, this brought about the decision to drop plans for introducing a container service for New Zealand primary produce exports to Europe. (No doubt pessimism over what arrangement Britaln would secure for Naw Zealand in the EEC negotiations was another influenclng factor.)

The increased profitability granted in the new freight rate alters the lines' attitude—or so it is sean from New Zealand—to the extent that they will be willlng to look at any request for an lmprovement in service the Boarda care to make, and the initlal moves in this direction are expected to coma in the New Year when the Boards cnme tn London to fulfil the rider to the freight rata agreement facilitating talks on "future policy."

And it ls felt in Wellington that containers, or possibly pallet-lnading nr even barge-carrying ahipping, will come soon, by which time the Export and Shipplng Council's establishment of cargo flow committees and Government implementation of far-reaching recommendations resulting from a Commission nf Inquiry into New Zealand Sbipping (which concluded the life-line was bleeding tn death), and those from a current inquiry into container handling (which will determine whether watersiders and their rates of pay will move intn nff-wharf container consolidating depots), will cut the costs which in future, New Zealand's primary producer Boards will not expect to be absorbed by the shipping companies, recently regarded as Twentieth Century Blackbeards.

NEW ZEALAND V

Doubt still surrounds U.K. lamb trade

By DAI HAYWARD

Fear of the unknown still bangs over New Zealand's future lamb trade with Britain and Europe wben—or if—the U.K. joins the European Economic Community. Leading figures in the meat industry believe that the dangers of a cut-back in lamb supplies or other adverse restrictions which will penalise lamb sales to a Britain inside the Common Market, are greater now than they were before the Luxemburg Agreement settled conditions for British entry.

New Zealand fears that a common sbeepmeat policy, negotiated after Britain enters the EEC, and negotiated away from the glare and spotlight of public and Press attention which was focused on the Brussels and Luxemburg entry negotiations, will impose conditions and restrictions on the free marketing of a vital portion of New Zealand's major export industry.

Mest Board and farming leaders point out that with tha political heat then gone from the argument and the future of the New Zealand meat trade no longer a vital issue—as it was in the pre-entry debate—there will not be the same pressure oo the negotiators to fight as hard for lamb as they did for butter and cheese.

Public pressure

The future of New Zealand's dairy exports was a major argument in the entry negotiations and without an acceptable settlement the opponents of British entry may well bave carried the day. Once Britain is a full member of the EEC there will not be the same political or public pressure to protect New Zealand's lamb exports, say the lamb growers.

As soon as Britain enters the EEC all New Zealand lamb exports to Europe—inclnding the U.K. which last year took 266,914 tons—will face a 20 per cent. tariff. The New Zealand Meat Board has indicated that it accepts this and is prepared to live with it.

The impact of the tariff will be lessened—for Britain—by the effect of the lamb levies already imposed and which will equal about 10 per cent. of present retail price when they reach their maximum. The levies have caused considerable heartburn and anger among New Zealand meat prodncers. Chairman of the New Zealand Meat Producers Board, Sir John Ormond, has maintained a continual protest at what he has described as a "tax on New Zealand lamb."

Although the price of New Zealand lamb will rise in Britain if she enters the EEC the New Zealand farmer believes that other meats will rise even higher and therefore the Dominion will bold its share of the housewives' meat buying.

If New Zealand meat producers could be sure that the 20 per cent. tariff was all they had to worry about their fears would evaporate. Indeed a 20 per cent. tariff with access to an enlarged Community would be in New Zealand'a interest. This would allow entry for New Zealand lamb and beef to countries within the EEC from which it is now exclnded. Promotion efforts over the past few years and probing of the market in balf a dozen different European countries has convinced the Meat Board that considerable potential sales exist in Europe for New Zealand lamb—if only access could be gained.

Although there are some optimists in New Zealand wbo hopefully believe British entry into the EEC will open up the Common Market for New Zealand lamb, they are probably being idealistic.

It is more likely that the 20 per cent. tariff will be applied to lamb entering Britain and that existing restrictions on lamb sales in other EEC countries will remain. These vary from a complete ban on frozen lamb in France to a global quota in Germany and restrictions on the retail sale of lamb in Italy. The optimists hope probably somewhat naively that these restrictions would be eased if Britain enters the EEC but the realists doubt this. The pessimists fear that the restrictions, such as now cover beef and other food imports into the EEC, will be extended under a common sheepmeat policy to disrupt and restrict lamb shipments to Britain. Beef imports into the EEC now bave a complicated system of guide prices, intervention price levels and import certificate controls.

The possibility of lamb exports to Smithfield being subject to the sudden imposition of restrictions or controls which would curtail or hinder the free flow of New Zealand lamb causes a shudder among producers, meat exporters and those concerned with the state of the New Zealand economy.

Farm and official circles in Wellington are apprehensive that France is trying to pnsh through a common sheepmeat policy which could force up the price of New Zealand Lamb in Britain to 34p per pound. They believe that a confidential draft for a common policy has already heen prepared by EEC commission officiala for circulation among the Six.

Free flow

If the EEC introduces sheepmeat regulations, which seems likely, New Zealand will expect Britain to insist on special arrangements for NZ lamb to at least maintain sales to Europe at the present volume. Sheepmeat regulations based on Paris reference price and applied to Britain could slash consumption of New Zealand lamb in Britain by 25 per cent.—a disastrous possibility for the meat industry.

At bome the lamb producing industry is facing a crisis with the price paid to farmers less than half that of last season. This bas dropped from 20 cents per pound to 9.8 cents per pound.

This price slump brought a confrontation between meat companies and the Meat Board with the Board endeavouring to maintain prices. Special legislation to enable the Board to market meat—a process formerly confined to meat companies—is being hastily introdnced.

Farmers have also heen hit hy steep increasea of up to 49 per cent. in the charges they bave to meet to have their lambs killed. For several years meat bas been the mainstay of the New Zealand economy and with encouraging prospects for beef looks likely to remain so for some time to come despite the lamb crisis. In the 12 months ended August meat exports earned $NZ440.5m., which was more than double receipts from the next biggest export earner—wool. In four years meat exports have increased in value from $NZ275m. to $NZ440m. and althougb some of this is due to inflation in buying countries, a larga part of the increase comes from increased production and increased sales to overseas markets.

Britain still takes over 80 per cent. of all New Zealand lamb exports and the value of the U.K. market is still vital to New Zealand but in tbe past 16 years there bas been a dramatic change in New Zealand's overall meat trada with Britain.

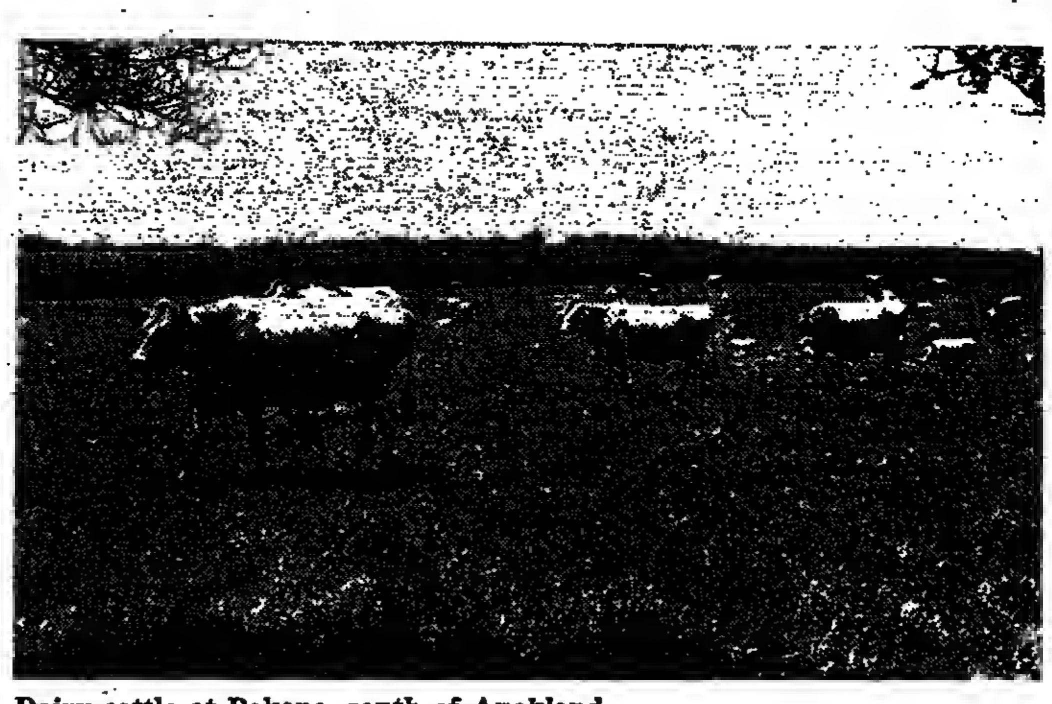
In 1954 all Naw Zealand meat—lamb, beef and mutton—went to Britain. Now 46 per cent. of total meat shipments goes to other countries. Total meat production in that period has grown from 387,000 tons to 643,000 tons, but the diversion of meat to markets outside Britain has grown from nothing in 1954 to 298,000 tons to-day.

The British market is still the most important single market in terms of value—last year providing $NZ199.5m. — but New Zealand meat now earns more outside Britain than from the U.K. In 1954 meat sales outside Britain were virtually nil. This March year they were $NZ294m. The major breakdown of New Zealand meat sales were—Britain $199.5m., United States and Canada $175m., Japan $34.5m. and the rest of the world $86m. The importance of the United States market bas grown steadily as a result of increasing beef exports and only the imposition of voluntary quotas limited these to their level of 102,600 tons last year.

Prices paid by the United States for New Zealand beef reached record levels during the second quarter of this year but they eased a little in June. This, and the United States Government decision not to cbange New Zealand's allocation of beef imports, under the voluntary qnota system, could bold New Zealand's meat earnings in the Uoited States to somewhere near this year's level.

Prodnction dnring the first eight months of the current season was np by just over 2 per cent. with lamb production increasing by 1.3 per cent. and beef by 8.6 per cent.

The trend to beef is helped by the good prices paid for beef in the U.S. and other markets but the New Zealand lamb iodustry, wbich was established to meet the needs of the Britisb market, has developed to such a degree that there could be no quick switch from lamb to beef production. There is, bowever, no desire on the part of New Zealand to do so.



Dairy cattle at Pokeno, sonth of Auckland.

Diversification presents real hope for dairying

By WARREN PAGE

Diversification—of both product and market—bolds out high promise for New Zealand's dairy industry, so mnch so that after tha recent gloomy years of debt and Common Market gloom, many people bere believe that dairying seems set to bid for new records of prosperity.

A multi-million-dollar diversification plan, for example, drawn up by the Dairy Board and now being examined by Government officials, would involve construction of a large manufacturing plant in South Taranaki, and the expansion and re-equipment of existing factories to turn resulta of intensified research into new products.

Tha problem is not so much to find new outlets for all tha butter and cheesa that will be phased out of the guaranteed British market, but rather to find customers for tbe dairy products that can be made from the milk that would otberwise be used for butter and cheddar cheese. This will involve the acceleration of the product and market diversification programme which has been gradually developed since 1954.

Expenditure on research bas been quadrupled in the last seven years. The Dairy Board-supported Dairy Research Institute has new and enlarged premises and increased research staff and facilities. A recent development is instant whole-milk powder about to be sold in substantial commercial quantities. Infant milk foods are growing in acceptance by world health authorities, marketing organisations and consumers.

Protein content

The manufacture of pharmaceutical products, based mainly on the protein content of milk, is expanding along with a widening range of derivatives of caesin and whey. Seventy per cent. of New Zealad caesin used to be used for paper coating but an increasing amount is now used in bigh-value food products.

Milk powders in various formulations are being developed either to suit customer requirements. New Zealand is expanding sales of milk solids to developing countries condensed milk and milk recombining plants. New types of cheese are being developed. A bland Gouda-type, for instance, has been found to appeal to the Japanese palate. The Dairy Research Institute bas made good progress with milkfat fractionation, which separates the milkfat into parts with different melting points. The results include a softspread butter or, by using the high melting-point fraction a firm butter for tropical conditions. There is prospect of a modified milkfat being used as a substitute for cocoa butter in chocolate. Snackfoods, sauces, soups, and cultured cheese are other usea being explored for milkfat.

Dairy companies have been gearing themselves to take advantage of the fruits of research, althougb in the uncertainty about the EEC negotiations plans to re-equip were delayed. The New Zealand Co-op at Te Rapa bas built a $8m. factory capable of manufacturing 40,000 tons of milk powder a year. The Kiwi Co-op Dairies Ltd. in South Taranaki will build a big new plant to produce a range of dairy products by mid-1973. At present it makes 21,000 tons of cheddar cheese but when the new complex is in production will reduce the output of cheddar by 10,000 tons a year.

Before World War II, New Zealand sold only about 3 per cent. of its dairy production to markets outside the U.K. In 1970-71, the Dairy Board has been selling approximately one-third by value and 50 per cent. by volnme of its dairy production outside the U.K.

The acceleration in the searcb for new products and markets is demonstrated by the fact that in 1955 the Dairy Board was selling 13 products to about 55 markets but by this year the number of products bas reached more than 80 and these are being sold to about 100 countries.

The development of dairy markets in Chile and Peru will mean tbat next year something like one-tenth of New Zealand's dairy production will be sold in those two markets. Such a quantity of trade has brougbt about improved shipping services and the Minister of Overseas Trade (Mr. Marsball) has announced that the Government now considers the west coast of South America to be a priority area for establishment of a Government Trade Commissioner. In turn, this bolds promise of further trade opportunities in everything from agricultural seeds and livestock to manufactured goods.

The call to diversify is not new. A Royal Commission in 1934 pointed out that the British market could not be expected to expand in line with anticipated increases in New Zealand dairy export output. Not much was done until after the end of World War II and the bulk selling arrangement between New Zealand and the United Kingdom ended its 16 years in 1954.

European surplus

By this time European bards had been restocked and the American dairy industry was producing in abundance. In the 1960s the European surplus of production led to dumping on world markets wbere New Zealand was struggling to build sales. Prices on international markets tumbled to disaster level. The New Zealand dairy industry, unsupported by State subsidy, went steadily into debt. Dairy farmers were caught in a giant price-cost squeeze and many decided to opt out of a poor present and a disastrous-looking future.

Between 1967 and this year the number of dairy factory suppliers dropped by 5,000. Amalgamations swallowed up these farms and a number of dairy factories. Some people were publicly advocating switching the great majority of dairy production to beef. The industry still owes the Reserve Bank $NZ20m. from thoae bad years.

But fortunes have now so changed that it is confidently expected that the dairy industry will repay the debt this year. New Zealand butter is selling in the United Kingdom at prices between £480-£580 a ton compared with the £300 which was the going rate for about four years up to about 18 months ago. Cheese has increased to no less an extent. In other markets caesin and milk powder bave reached record levels (although still less than the levels ruling on Enropean and North American domestic markets).

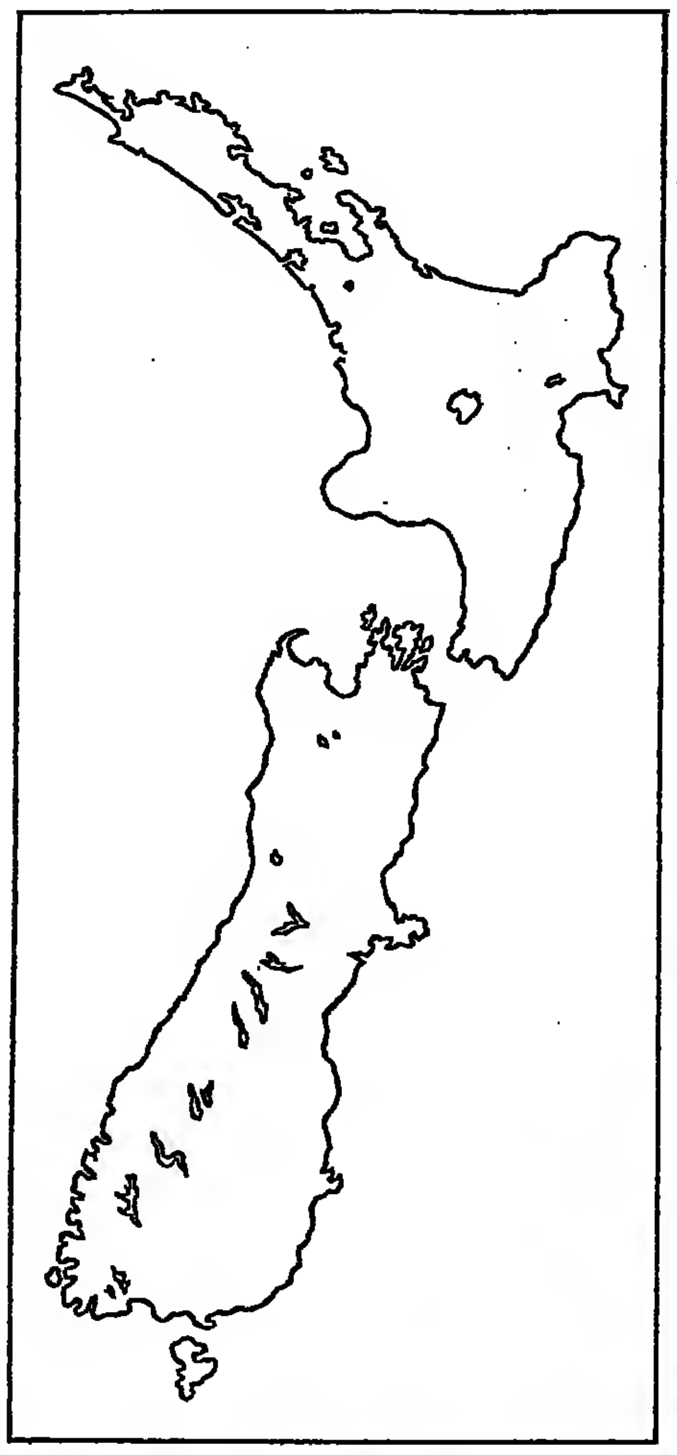
For the future certain provisions of the Luxembourg agreement on British entry to the EEC referring to New Zealand butter and cheese are considered to be of profound importance. One clause would have the enlarged Community make every effort to promote the conclusion of an international agreement on dairy products so as to improve as soon as possible the conditions ruling on the world market.

For the past five years New Zealand on the diplomatic front bas been strenuously promoting the concept of orderly marketing of dairy products on world markets. A recent GATT arrangement for skimmed milk powder had all the major exporting countries agree on restriction of export restitutions, and so bring about a limit on export subsidies for skimmed milk powder. This was of immediate benefit to New Zealand.

Another significant clause in the Luxembourg agreement promises, among other things, that the enlarged Commnnity will make every effort to pursue a trading policy that would not frustrate efforts made by New Zealand towards diversification of its economy and exports. The Dairy Board interprets this to mean no more dumping of dairy products wbere New Zealand is endeavouring to enlarge the market.

In the long term, therefore, the prospects for the New Zealand dairy industry seem to appear bright. There are some reservations about the outcome of the review of the interim arrangements for New Zealand butter and cheese sold to the U.K. There is concern too about trade barriers imposed by developed nations, and the desperate inability of some developing nations to afford dairy products.

But a great deal of confidence and bope is being placed on tbe ability of the New Zealand Government continuing to use wbatever powers it bas in trade negotiations to improve access in developing markets, to bring about orderly marketing agreements, rational prodnction aod trade liberalisation. In the meantime, wbether or not it be a short-term project, the world shortage of dairy products and the prevailing bigh level of prices, combine to make relieved New Zealand dairy farmers look like the proverbial cats with a bowl of cream.



NEW ZEALAND VI

Need for broader approach to wool marketing

By J. STEPHEN BRIDGES, Senior Lecturer, Victoria University of Wellington

Underlying the Battelle report to the New Zealand Wool Board on the future marketing of wool is the familiar story of a once vigorous and prosperous industry which failed to adapt and change with the market it is serving, thereby permitting new forms of competition to enter the market and flourisb at its expense. Tha Battelle report states in unequivocal terms that if New Zealand is to compete effectively against synthetic fibres it must adopt the industrial marketing concept in which wool is viewed not as an agricultural commodity but as an industrial input whicb must fit the needs of the user. The urgency of the action required is evident in Battella's statement that "timing is extremely important—we hope that it is not too late to begin." The Wool Board has quickly responded to the report with its proposal to establisb a Wool Marketing Corporation.

Regrettably, however, something was lost in the translation from the Battelle report to the Wool Board proposal, for the so-called Marketing Corporation would be confined—at least initially—to the distribution and selling functions of marketing. Tbis fits the New Zealander's understanding of the term marketing which has becoma a fashionable word in the past few years. Great Britain's threatened entry into the EEC spurred a drive to find new markets for existing products. "Marketing" was the label applied to these efforts, but selling was the approacb used.

1960 level

Nevertheless, a broader approacb to marketing is required if wool is to compete more effectively in the future, particularly against synthetic fibres. Whereas the total market value of synthetic fibres has grown dramatically over the past ten years, New Zealand wool exports bave fluctuated around the 1960 level of $NZ207.5m. The latest Wool Board estimate for 1971 exports is $NZ189.1m. Hence New Zealand's share of the fibre market is declining and prospects for the future are not encouraging.

Although there are various reasons for this performance, a major factor has been New Zealand'e rigid adherence to methods developed a century ago. Bsttelle's survey of wool users in several countries revealed 12 problems which users have with wool, most of which can be classified into two categories:

Quality and processing difficulties, including (as compared with synthetics) high processing losses, weak yarns and complexity of handling and processing; and

Poor sales and servicing policies, including uncertain deliveries, no quantity discounts, no technical service and little trade credit.

Synthetics mounted a diract attack on these weaknesses, thereby providing much greater fibre user satisfaction.

New Zealand has been unable to respond affectively because the operating body of the wool growers, tha Wool Board, does not have statutory powers to do so. Moreover, desire for reform in the past has been thwarted by wool growers, men primarily concerned with production and orices, not businessmen orientated to the needs of wool users in distant markets.

The Battelle study was commissioned to ovarcome grower opposition to reform and to dramatise the need for a marketing approach. The Wool Board proposes that the new Marketing Corporation would rectify sales and servicing inadequacies, partially by streamlining distribution, and developing new and existing markets. However, powers are vaguely enough worded that other functions could be undertaken. The Corporation would assume some of the operations of the Wool Board though the latter would continue to promota wool in New Zealand, conduct product research, and act as the principal liaison between the Corporation and the International Wool Secretariat (IWS).

User's need

It would appear tbat tha Wool Board's proposal is a compromise batween what is ideal and what it considers to be realistic to achieve. Therein lies the major deficiency of the plan. Ideally, the existing Board should be scrapped from the start and replaced with a Marketing Corporation, run solely by businessmen vested with policy-making powers for all marketing functions—including product research and development, promotion; distribution and sales/servicing. Only in this way can an integrated marketing programme, based npon a continuing analysis of the fibre user'e needs, be developed. The current proposal, bowever, fragments these functious among three separate bodies—the Wool Board, the Corporation, and the IWS. This would preclude the effective co-ordination of a total marketing plan and would make it extremely difficult to adapt quickly to changing market conditions.

Another serious deficiency in the Board's proposal is the inclusion of growers on the Corporation's Directorate. Three of seven voting directors were to be growers. Unfortunately this was not sufficient to appease the growers. They decided on October 12 that their approval of the proposal was contingent on grower domination of the Corporation. Subsequently the Wool Board conceded to this demand. Hence four directors, including the chairman, will be motivsted by growers' interests.

The fragmentation of marketing functions combined with grower domination could thus render tbe proposed new Corporation ineffectual from the start.

Because the Wool Board's proposal couches the Corporation's powers in general terms, the Corporation could eventually make the Wool Board redundant and result in withdrawal from the IWS. Nevertheless, aside from the question of urgency for a bold solution to-day, the strength of generalised powers could also prove to be a weakness in that the Directorate would have to chart its own couree with the possibility that it could well haad in the wrong direction—or none at all.

The Wool Board recognises some of these deficiencies but feels that a bolder proposal and insistence on business domination would meet with complete grower opposition. The growere have always run the show and do not want to relinquisb their control over their wool clip. They cannot understand why the Corporation should be dominated by businessmen since they cannot understand the problems from a modern marketing point of view. It is ironic, and unfortunate, that because of the myopia of the grower, a tiny step forward is proposed when, in view of the magnitude of the problems and the tardiness of response, it is to the growers' best interest that a leap be taken.

Guarded hope

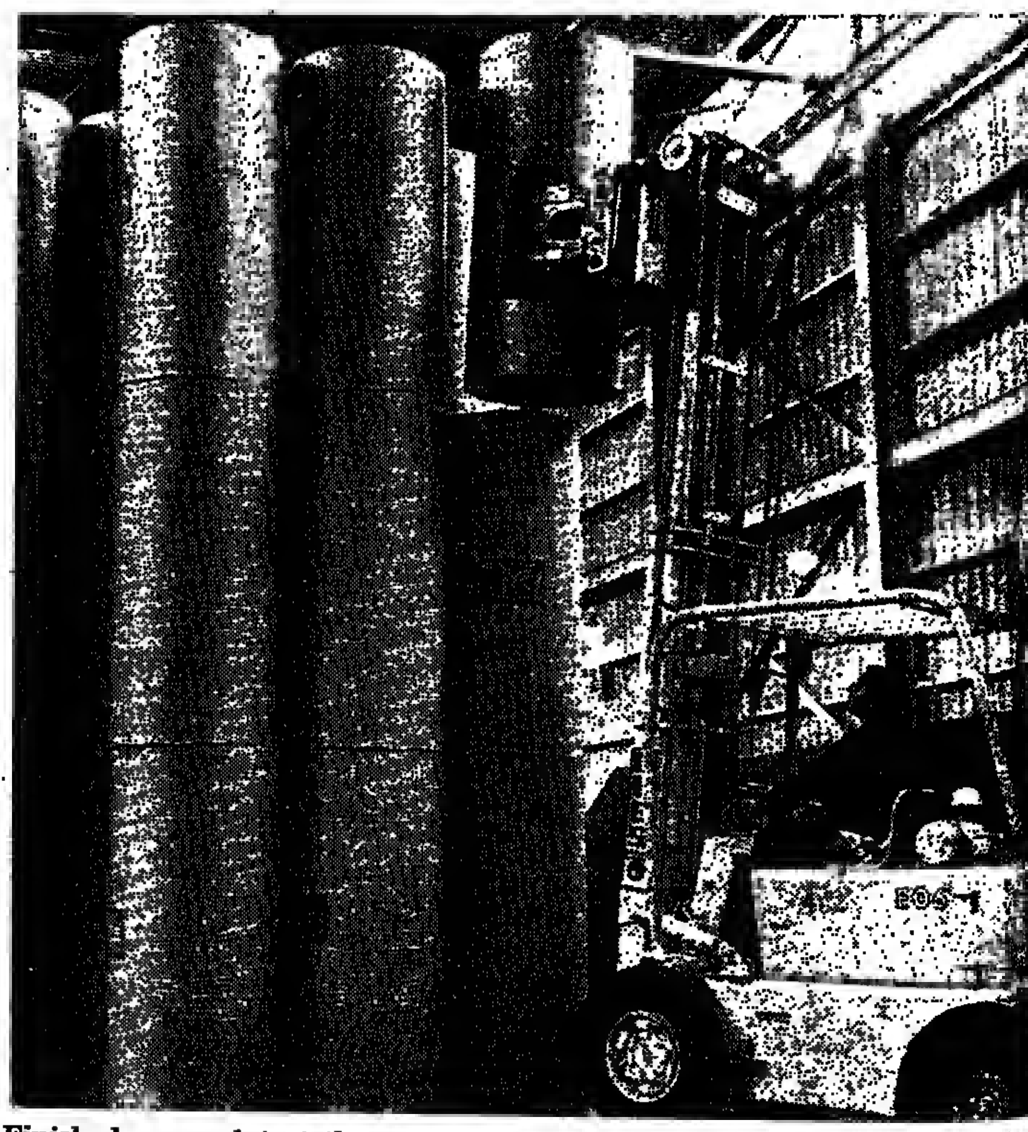
Perhaps because the proposed Corporation is a compromise, few New Zealanders view it as a panacea. The main attitude, including that of the Wool Board, is one of guarded hope—not that growth will be resumed but that the decline can be halted. Yet, even if it is not, New Zealand should profit from this experience. The lesson of the wool industry should alert other Producer Boards to the need to become commercial business operations which have the flexibility to adapt to changing market needs. Unfortunately, even to-day too much emphasis is placed on finding new markets for existing products and too little attention is paid to potential competitive substitntes, for example, synthetic meat. It is true that New Zealand is converting to a marketing orientation, but it is a painfully slow process, one which is seriously impeded by the sbort-sightedness of the farmers.

Forest industry moves into processed products

By NEALE McMILLAN

After ten years of buge export earnings from raw log sales to Japan, New Zealand is about to concentrate virtually all of its burgeoning forest industry upon the lucrative field of processed timber products. With a forest industry worth less than $NZ20m. a year in 1960, New Zealand has, by judicious exploitation of reliable markets in Japan and Australia, more than trebled the value of its forest exports to $NZ71.3m. in 1970. Latest official estimates predict overseas sales worth at least $NZ129m. by 1979 which, if attained, will yield 7.5 per cent. of the nation's total exports. But, in sharp contrast to the past decade, practically none of it will leave New Zealand unprocessed.

The past ten years bas seen a forestry pbenomenon. Continually under threat of British entry to the European Community the industry bas worked assiduously to improve its trade in wood—partly by utilising a short-term surplus of softwood logs which has met a ready demand in Japan, and partly by increasing paper and pulp production to maintain prices in an inflationary world climate.



Finished newsprint at the Tasman Paper Works, Kawerau, North Island

Log boom

The result bas been: log exports increased from $1.1m. to $24.8m.; newsprint from $6.2m. to $15.3m.; sawn timber from $2.7m. to $10.7m.; and wood pulp from $5.6m. to $9.1m.

Never regarded as being more than a short-term proposition, tha log boom is ending, having served a valuable purpose. Apart from its exchange earnings it has opened a valuable market in Japan for further development, has belped forest-based companies overcome liquidity problems, and has fosterad further afforestation. For each of the past two years the quantity of logs exported has exceeded 60m. cubic feet, and is likely to be about the same in 1971. About one-third of this comes from State forasts and the remainder from private and company forests. Log exports currently account for almost 25 per cent. of New Zealand'e timber fellings and the point has now been reached where the country cannot sustain log exports at this level without jeopardising the supply of wood required for processing. The Government has called stop.

When existing log contracts with Japan expire next March 31, the New Zealand Forest Service (a Government department) will bagin phasing out log exports over a period of two years and private exporters will also reduce their shipments. By 1974, log exports will be only s fraction of the present amount, but will not be curtailed entirely. The Government wants Japan's door left ajar for exports of temporary surpluses of logs or for logs which have to be salvaged quickly because of windthrow or similar disasters.

The trend towards more processing is an obvious step towards greater profits. Realising this, Japanese businessmen have recently become involved in a joint venture with New Zaaland interests to establish an integrated sawmill and refiner groundwood pulp mill near Napier. The enterprise will take 320m. cubic feet of exotic softwoods from thrae State forests over the next 20 years.

By the time log exports are virtually pbased out in 1974, several significant developments in timber processing will have taken place. In 1972, New Zealand Forest Products Ltd. will be expanding its pulp production to supply an additiooal 80,000 tons of pnlp and paper for export annually. The following year it will increase its export of industrial papers.

In 1973 also, Tasman Pulp and Paper Company will expand by 100,000 tons its annual production of pulp for export, and at Napier the joint New Zealand-Japan venture of Carter-Oji-Kokusaku Pan Pacific Ltd. will begio producing 120,000 tons of refiner groundwood a year. The year 1974 should see a 50 per cent. increase in prodnction by Carter-Oji-Kokusaku, and the Tasman Company will expand its newsprint production by 120,000 tons a year.

Although present exports of forest products are based largely upon North Island exotic softwoods, the next few years will reveal gradual use of some of the South Island's vast tracts of native hardwoods.

Wood chips

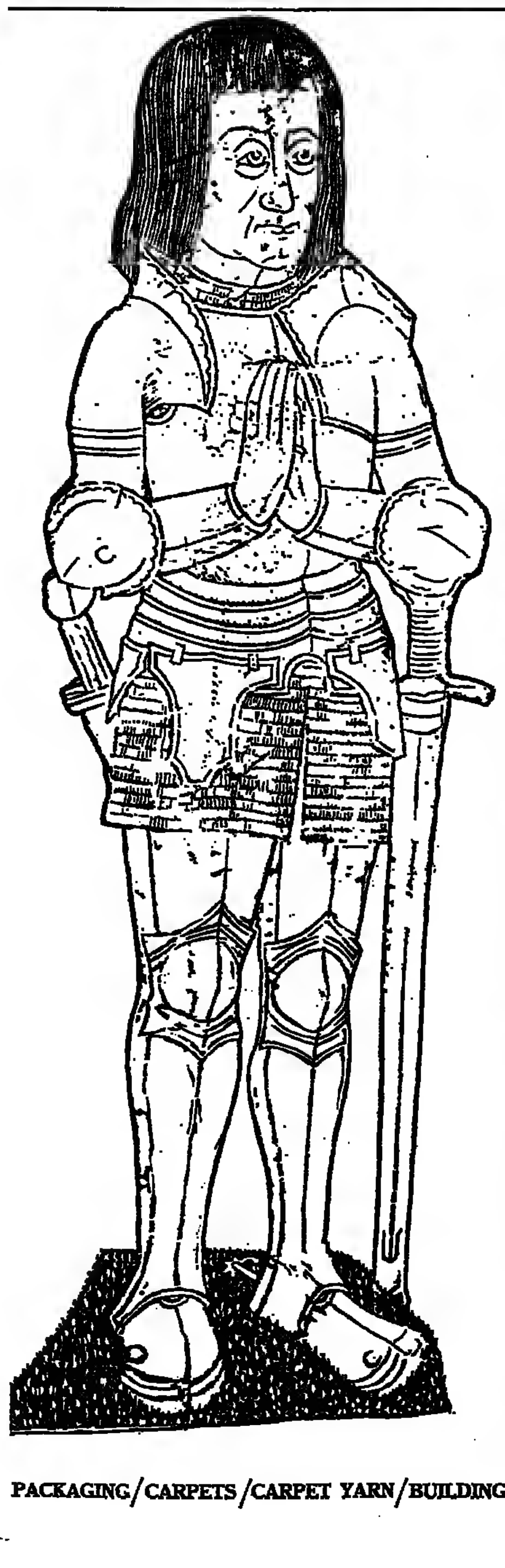
State-owned forests alone contain almost five milllon acres of native beech for which an industrial demand is becoming apparent. But the Government, wary of strong public feeling for the conservation of natural resources, envisages a scheme using less than 10 per cent. of this. Plants producing wood chips for export to Japan could be followed by pulp industries aod possibly even a kraft paper mill, with a likely export potential of $25m. a year. Small experimental quantities of indigenous bardwood chips of mixed beech species were first exported in July, 1970.

In all its planning, New Zealand has focused its gaze primarily upon Australia and Japan, whose high growth rates offer reliable markets with good potential for markedly-increased sales and with good prospects for continuing satisfactory prices. It has been able to capitalise on the beavy dependence of Japanesa industry imported softwoods and the Australian market as ing substantial imports of wood materials for many ahead.

As New Zealand's single market, Australia took per cent. of forest exports 1970. It took over 95 per of newsprint exports $14.8m.), 82 per cent. of exports (worth $7.5m.), and per cent. of sawn timber ports (worth $5.5m.). Prospects of increased timber sales Australia are bright because the growing acceptance of struction grades of radiata and the reduction in tariffs dressed timber under the Zealand-Australia Free Agreement.

Japan in 1970 bought per cent. of New Zealand's exports, mainly comprised logs valued at $24m. and timber valued at $2.1m. chips have already earned than $2m. and this trade develop as log exports decline.

Next to Australia and Japan New Zealand regards the Islands and Britain among best prospects. A significant crease has been achieved sawn timber exports to the amounting in 1970 to hd. ft. of radiata pine $453,000.



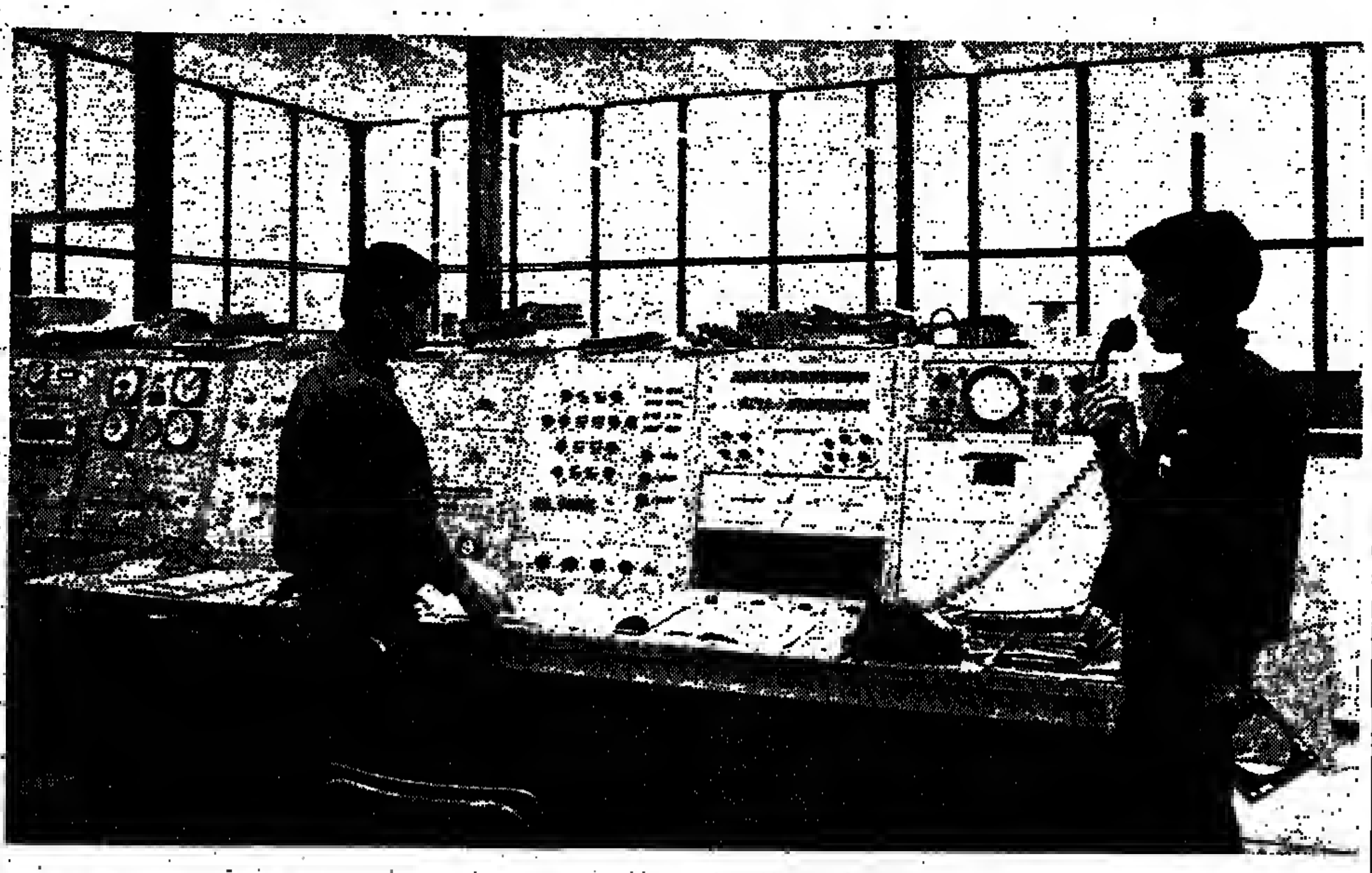
Closer economic ties are developing with Australia

By IAN TEMPLETON

New Zealand and Australia, after keeping each other at arm's length for several generations, are drawing closer together. The embrace between the continental giant and the island dominion is not yet very cosy. To sensitive New Zealanders, it sometimes seems that Australia is lumbering clumsily around as if it does not know its own strength, and they fear the Australian embrace in case it crushes the life out of the (by comparison) embryonic New Zealand manufacturing industry.

The curious remoteness that earlier pervaded Trans-Tasman relationships has gradually disappeared during the 1960s as trading, commercial, social and political contacts have intensified. NAFTA (the New Zealand-Australia Free Trade Agreement), despite an initial lack of enthusiasm on the New Zealand side, has stimulated two-way trade so that it is now running at an annual rate of more than $300m.

The process has been hastened by the rundown of the British presence in the Far East and by the British move into Europe. Both Australia and New Zealand have become more aware of their own destiny in the Pacific. Statesmen on both sides of the Tasman see the advantage of closer integration in the Anzac partnership. On the Australian side, however, there is immense apathy as "the lucky country" absorbs the significance of staggering finds of minerals and oil. And while some of the New Zealand fears have been quietened, they have not disappeared completely. But as Australian prosperity, based on its new mineral wealth, surges ahead, there is a new incentive for New Zealand, beset by adverse terms of trade for its predominantly agricultural exports, to grasp the coat-tails of Australian success.



Japanese technicians from Nippon Electric Company installing the control console at the operations building of the earth satellite station near Warkworth.

Combined markets

This year the Ministers of Trade of the two countries, searching for new bridgeheads, have promoted the concept of *industry rationalisation* for the area market. This has meant encouraging industries to plan their investment and production on the basis of supplying the combined markets. Under one rationalisation proposal, for example, Caxton Paper Mills, of New Zealand, will produce tissue paper for the area market while Australian Paper Manufacturers specialises in other papers.

Perhaps the most significant moves for area developments, apart from those in the forest industries, have been in the car industry. The Nelson assembly plant of British Leyland assembles Jaguars and Rovers (with considerable New Zealand content) for Australia, while BLMC factories in Australia produce Minis and 1100s for the New Zealand market. General Motors Ltd. has decided to centralise production of Frigidaire home appliances at a factory in Petone near Wellington (and transferred a shipload of equipment from its plant at Dandenong in Victoria); shipments of Frigidaires to Australia qualify for special import licences issued by the New Zealand Government so that General Motors can import Holden cars to an equivalent value. Ford has started construction of a new plant at Wiri near Auckland, to manufacture gearboxes and other components for cars assembled in both Australia and New Zealand. Again, the shipments to Australia will qualify for special import licences so that more "made-in-Australia" Fords can be shipped across the Tasman.

The strength to be gained from longer-run production for the area market ought to equip industries on both sides of the Tasman to compete more effectively in export markets. The experience New Zealand firms have gained from exporting to Australia—and many have found they can compete very well—is giving them confidence to explore markets farther afield. New Zealand-made Frigidaires, to take just one example, will be marketed in countries as far afield as Britain, Hong Kong and Tanzania.

Some authorities believe New Zealand has been unduly cautious in its approach to NAFTA. They argue that if New Zealand industry is to become more efficient it must be increasingly exposed to competition and wheedled away from the over-protection it has become accustomed to after 33 years of import licensing.

As Professor F. W. Holmes, chairman of the Monetary and Economic Council, put it earlier this year: "We badly need that combination, which faster freeing of trade under NAFTA could provide, of increased opportunities for expansion in a larger, freer market and greater competitive stimulus to be efficient and hold costs."

Sensible tariff

Government sensitivity, he believes, lies at the root of what he calls the "disappointing" progress made not only with NAFTA but with replacing import licensing by a sensible tariff. "I see this as a major reason why inflation in New Zealand has become so serious, and why we are in danger of losing the impetus towards restructuring and greater efficiency which devaluation made possible."

While closer economic integration is seen as a desirable goal by experts on both sides of the Tasman, few advocate political union or federation. Each country has developed its own political style, and neither would suit the other. The brawls in Canberra this past year are a far cry from the consensus politics of New Zealand's Holyoake and Kirk. In any case, the two countries are already as close-knit as any other grouping, with perhaps the exception of the Benelux countries or the Nordic Union. The Prime Ministers regularly telephone each other, as do individual Cabinet Ministers.

The recent take-over of the Union Steam-Ship Company (the dominant unit in New Zealand coastal and trans-Tasman shipping and a subsidiary since 1917 of the P and O group of London), by a consortium formed by Thomas Nationwide Transport of Australia, and a group of New Zealand companies is perhaps symbolic of the growing thrust of Anzac entrepreneurs to think in terms of combined action.

Social contacts

Matching the commercial links are the fast-growing social contacts between Australians and New Zealanders. In 1960 about 15,000 Australian tourists visited New Zealand; in 1970, about 60,000. By 1975, total Australian visitors to New Zealand are estimated to reach 190,000. The expanding flow of New Zealand visitors to Australia is of similar proportions. Telephone calls across the Tasman rose from 33,000 in 1960 to over 250,000 last year.

With higher wage and salary rates, Australia has in recent years attracted many younger Kiwis. Australian salaries for professional people, top civil servants, university staff and senior business executives are generally 50 per cent. higher than in New Zealand. Potentially the departure of New Zealanders voting with their feet may be the strongest lever on New Zealand to exercise the economic discipline to push up its rate of growth, and draw still closer to Australia.

Japan steadily increases its stake in trade and industry

By DAI HAYWARD

During the past eight years Japan has steadily—and usually quietly—increased its interests in New Zealand until its involvement in the country's trading and commercial activities is much greater than most New Zealanders appreciate.

Some signs of the increasing attention Japan is paying to the Dominion are obvious: a growing number of Toyota and Datsun cars, for instance, landed here at prices which, even after duty allow for extremely—almost suspiciously—keen competition for British makes; music shops filled with Japanese pianos, the replacement on hundreds of farms of the traditional shepherds horse by Japanese-made light mobile motor cycle; and of course a whole range of Japanese consumer goods from crockery to cameras.

There is also the big industrial participation: the awarding of contracts to Japanese companies to build television towers, extend the Auckland Harbour Bridge, provide railway rolling stock and supply large consignments of technical electronic equipment.

Japan has also become a big buyer of many raw materials—and in the process made New Zealand heavily dependant upon Japan as an outlet for various products, including mutton and its.

During the past four years Japan has steadily reduced the balance of trade—although is still runs in New Zealand's favour—but it is now moving to the area where invisibles will start flowing back north.

Japanese investment in the Bluff aluminium smelter, along with Comalco, was welcomed by a New Zealand public which since 1960 has become increasingly well disposed towards Japan.

The turning point in New Zealand — Japanese relations after the war was probably when the Japanese suddenly took notice of the efforts to introduce New Zealand mutton into their diet. New Zealand's meat-producing industry has a large quantity of mutton to sell every year and it was at that time, when the rest of the world showed little interest that the Japanese suddenly realised its value as a raw material for their processed-meat industry.

Raw materials

The Japanese steadily increased their consumption of mutton until they were buying around 80,000 tons a year. It was natural that with so much trade flowing north the Japanese should turn their attention to pushing their own goods south. And they have succeeded to a remarkable degree. At the same time they saw the potential of many other New Zealand raw materials. An export industry has been developed for New Zealand logs and wood ships in Japan—though this is going to be curtailed during the next two years in favour of more local processing of forest products.

The Japanese therefore have steadily extended their influence and interests but there has recently been some disenchantment developing among New Zealanders who worry about whether New Zealand is becoming *too* dependent upon Japan as a major market. They point out that the Japanese are extremely hard businessmen. For example, when the Japanese meat importers thought the New Zealand meat industry was critically dependent upon their orders to clear mutton stocks they showed a marked reluctance to buy until the price was forced down. This policy worked extremely well for the Japanese one year but, partly due to a more united resistance from the meat exporters and partly also to the timely intervention of the Soviet Union which bought a large quantity of mutton at a crucial time, the next year the Japanese policy of screwing down the price failed.

It is necessary, then, to set these things in context: the meat trade with Japan was worth $34m. last year—which was undeniably useful to New Zealand but was still only minor when placed alongside the total of $440m. meat earnings—half of which comes from Britain.

There have been clashes, too, over Japanese fishing boats coming within two or three hundred yards of the coast despite the offshore fishing agreement. Some New Zealanders mutter about the thousands of tons of fish from offshore New Zealand waters which are processed in the mother ships and sent back to Japan each year—but few serious attempts have been made to exploit the fishing industry by New Zealand competitors.

In one week this month two multi-million dollar contracts were awarded to Japanese firms. One was to supply 600 railway wagons; the other for extensive new telephone equipment. The latter has brought a series of protests from a local manufacturer who had planned to extend his factory in a New Zealand provincial town where an additional 150 jobs would have been a valuable fillip to the local economy. Although the home tender was well below the Japanese quote (according to official comment) the local man has been supported by the Manufacturers' Federation which has accused the Government of paying only lip service to developing local industry.

Hardening attitude

This hardening of the local attitude towards Japan is relatively new, although Government and trade officials have shown a surprisingly stiff resistance to Japanese pressure to have duty on motor cars reduced.

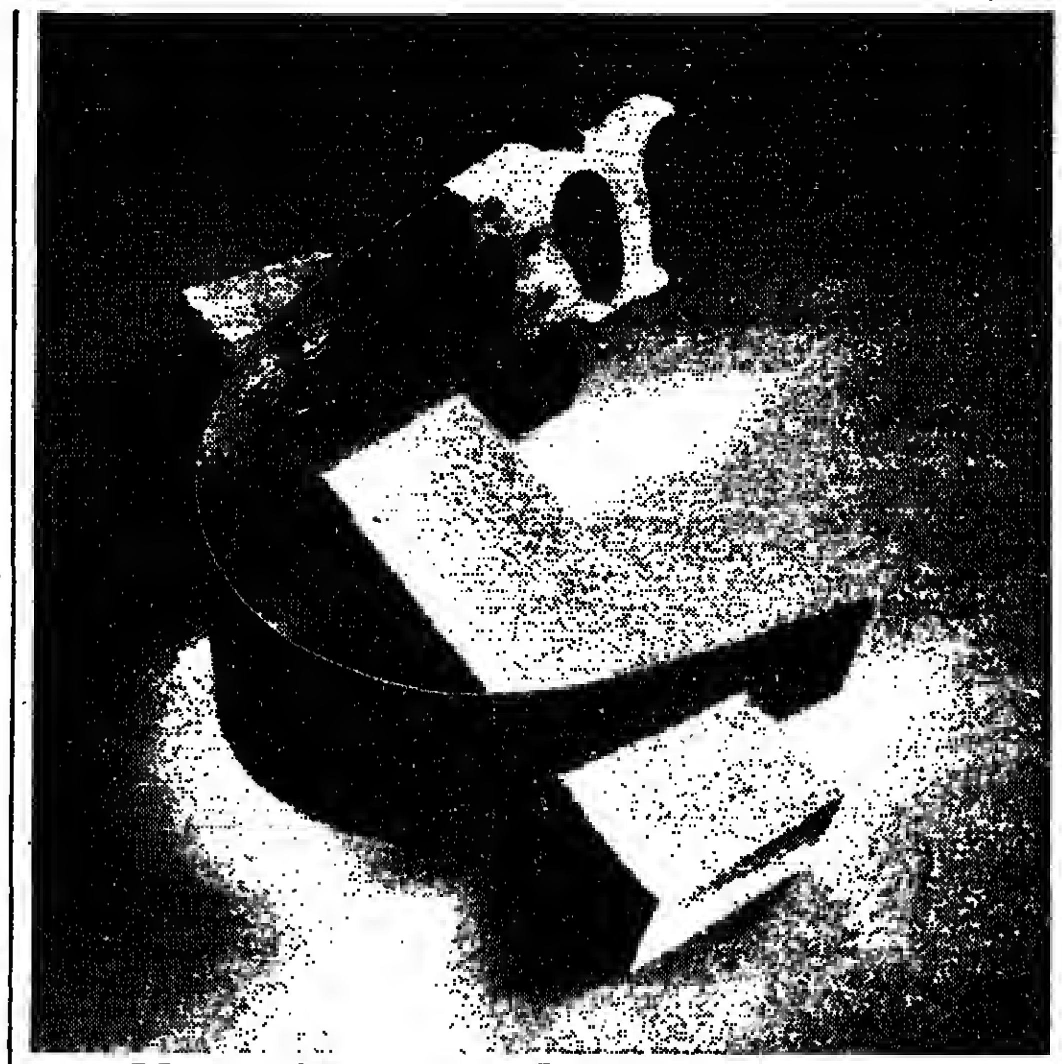
New Zealanders, especially the dairy industry, are becoming more than disappointed that Japan refuses to open its markets to New Zealand dairy products. New Zealand believes that it could sell large quantities of cheese and other dairy products in Japan given the chance, and although there is some shortage of supplies at the moment the day could come in the immediate foreseeable future when a large Japanese market would be very valuable indeed to the New Zealand dairy farmer.

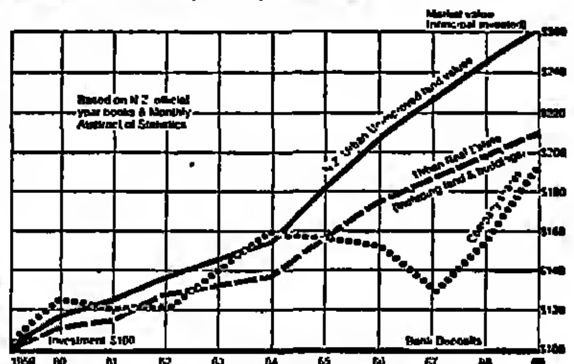
But at present New Zealand is shut out from this market—and from a possible Japanese market for beef—by Government restrictions. This fact, which is often ignored by those in New Zealand and Europe who suggest that New Zealand should do more to develop the Japanese dairy market, causes irritation and disappointment in trade circles. The disappointment was heightened after Expo 70 when a concerted effort to introduce New Zealand foodstuffs, particularly lamb, cheese and ice cream, proved that if given the chance, Japanese would eat them. These disappointments, however, are still restricted within official circles and are unlikely to spill over into the mass of public opinion.

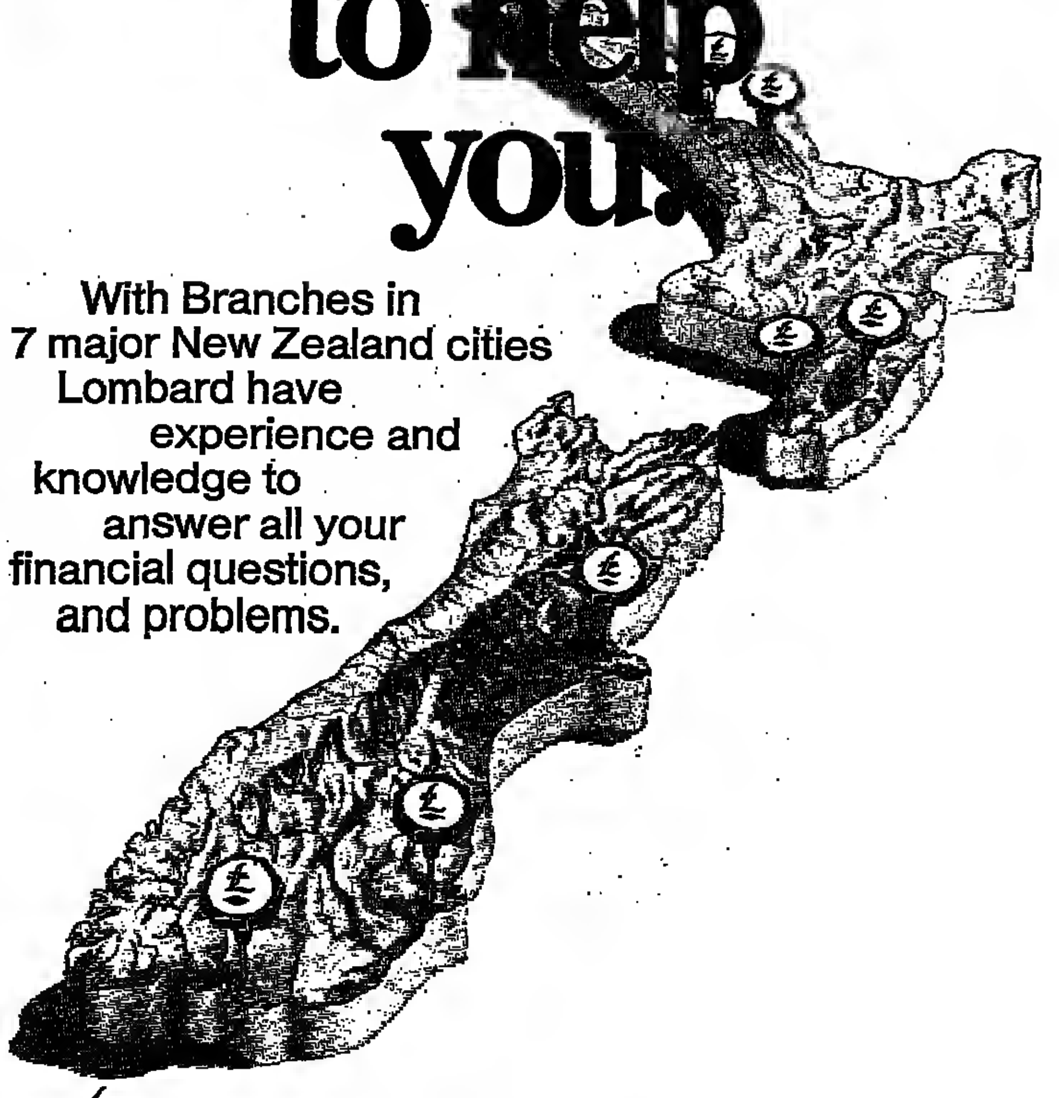
For the moment, then, New Zealand-Japanese clubs are thriving; there is great interest here in such Japanese cultural pastimes as *ichibona*, Japanese food recipes have a certain vogue, and Japanese language classes, both in the secondary schools and over the national radio network, have proved popular.

Japanese tourism is steadily increasing and is likely to keep on doing so. Japanese businessmen are a common sight in Wellington, Auckland and some of the smaller centres.

If Japanese interest in coal, beech forest and illmenite sands, on the West Coast of the South Island (which are now the subject of a special government report) reaches the stage of a definite project, then Japanese businessmen will become even more familiar in the New Zealand setting. And of course, there is no doubt that they see the potential for further trade expansion in New Zealand, so much so that—being the energetic race they are—they will be seeking ways of exploiting this potential in the immediate future.







NEW ZEALAND VIII

Trade with Britain: both sides need to take a closer look

By DAI HAYWARD

British exports to New Zealand are increasing in value (partly as a result of inflation) but falling in volume. In 1950 Britain held over 60 per cent. of tha New Zealand market. By June, 1968 this had shrunk to 30.4 per cent. and to-day stands around 29 per cent. Blame for this declina in Britain's share of the New Zealand import market, which now exceeds $NZ1,000m. annually, can be placed both on the British and New Zealand end of the export line.

All too often British exporters and manufacturers as seen from bere appear to lack aggressiveness in figbting to hold wbat they bave: they show a reluctance to lobby New Zealand customers or officials in the same way that many of their competitors do; there is still—despite some recent costly defeats in the export battle—too much British complacency about the New Zealand market and too frequent indications that British suppliers have not done their homework.

On tha other hand New Zealand is often too easily swayed by glossy salesmanship from foreign suppliers, and Britain could argue that Government officials (even Cabinet Ministers) responsible for placing big contracts do not give the support to the British-New Zealand trade agreement which the U.K. could reasonably expect. Under this 1966 agreement there is an implicit understanding that, other things being equal, Government contracts will be steered Britain's way.

Biggest spender

The Government is the biggest single spender in New Zealand, each year placing contracts worth many millions of dollars. The second biggest spenders—collectively—are the local authorities. These could he important markets for the U.K. but during the past few years and even during the past few months, many multi-million dollar public contracts have gone to Japan or some other foreign competitor.

New Zealand officials will defend this by claiming that the foreign tenders are more favourable or that they are technically more suitable for the job in hand. In some cases this is probably true, but in others the Britisb manufacturers claim that they could supply a comparable article. The most famous instance — the New Zealand choice of the American Boeing aircraft in preference to the BAC One-Eleven, is now ancient history, but more recently New Zealand placed a contract with Japan for an earth satellite tracking station. A leading British company claims that it could bave supplied a station equal to the Japanese one.

A British computer manufacturer who is doing relatively good bnsiness in the private sector claims that it is getting hardly any business from public contracts, although it is anxious to supply this field.

New Zealand is an important market for the British motor industry—cars being the single biggest British export, wortb approximately $NZ60m. British cars are well known here, but New Zealand government and sami-government organisations have recently ordered Japanese cars for their official work.

Sales of Britisb cars are not halped by excessively long delivery dates. One Wellington agent for a well-known popular British make is quoting five months as the earliest he can hope to promise delivery. By comparison the agent for a Japanese car not only promised delivery within six to eight weeks, but also offered a Wellington bnsinessman the free loan of a car until the new model arrived.

With the ending of British preference, when Britain enters the EEC the competition and basic price differential between British cars and their competitors from Japan and Germany will become even more marked. Forecasts have already been made that Japanese cars will cut a big slice out nf the Britisb trade when the preferential duty goes. Japanese car makers are certainly creating the impressinn with the New Zealand public that they offer the customar a better deal—although this is often not the case.

Foreign bids

Friends of Britain and local agents for British firms have urged U.K. companies to take more notice of the lucrative government market by showing more interest than is sometimes now the case. Too often a British supplier takes the attitude that because be has always done business with New Zealand it will stay that way, or he does not put enough effort into prodncing a tender which can match the foreign bids.

For years Britain has supplied telephone equipment for the New Zealand post office. This month a multi-milllon dollar contract tn supply telephone crossbar switching gear was awarded to Japan. Not one British firm tendered for this contract, which has obvious reordering and extension possibilities. It bas been suggested that long term this deal could be wortb $NZ100m. This is an example of opportunities which are not nnly lost to Britain but which create new buying babits and open the door to lnng-term competition.

Criticism has also been levelled at British companies which regard the British preferential tariff as a way to increase profit instead of reducing prices and thus winning a bigger share of the New Zealand market.

Life will be tougher in New Zealand for British exporters when Britisb preference goes, but New Zealanders with British trade connections claim that Britein should still be able to compete if it really tries. The British trade association has criticised suggestions that Britain will no longer be interested in tbe N.Z. market when it loses its preferential position.

Personal contact

Foreign countries, including those from Europe which have moved into the New Zealand market during the past few years pay a great deal of attention and time to personal contact and the winning of friends in areas where they want to do business. Propaganda is important and more than one government trade office competing fiercely with Britain in the New Zealand market employs local firms to help publicise end promote their trade missions or efforts to gain New Zealand contracts.

Britain also suffers, surprisingly, because its goods are nften familiar to the New Zealand public. There is more novelty value in the German or Italian machine, appearing for the first time at an agricultural fair or in a dealers showroom, than there is in the well-known British prototype.

To overcome this and the nther factors working against it in the New Zealand market Britaio must take a good hard look at its trading and selling efforts. Above all it should realise that the New Zealand market is wnrth fighting for. In this June year with nnly 29 per cent. of the total market British exports earned $310m. from New Zealand. But British exports are under pressure and U.K. firms shnuld take a look at snme of the methods and approaches used by their competitors who are steadily making inroads into this market.

Shotover River Gorge near Queenstown.

Tourist earnings growing fast, with good prospects ahead

By DENIS WEDERELL

Three Las Vegas investors spread plans for a $NZ7m. international casino and tourist resort before Government officials in Wellington last month and tried to talk them into changing New Zealand's gaming and investment laws. They failed, as nearly everybody expected they would. The reason they failed says something about the New Zealand tourist industry, and about "the friendly New Zealanders," the slogan now widely used in tourism.

It is not that New Zealanders do not like gambling. As a nation they are big gamblers, but the money is well spread around. Most people have a flutter on the horses on most Saturdays throughout the year. The Government runs a national lottery, with profits going to good causes, sports clubs, the arts, and science.

But an international casino was snmething else. There were suggestions that this might let the Mafia in and that it would also keep New Zealanders out. Mr. B. J. Dalliessl, Mayor of Picton, in the beautiful Marlborough Sounds, where the Americans planned to build their millon-dollar complex of casino, hotel, mini-zoo, and sports and cultural facilities, said afterwarda that it was never intended that the casino should be used by anyone "other than overseas members of a private club."

The present Government has already been sharply criticised for letting Americans buy up some of the best blgh country and the fishing and shooting rights that go with it, and most New Zealanders would react strongly to building e private club for the international jet set right in one of the most cboice sites in tha Sounds. This was too much even for a country wbich bas become aware of the potential of international tourism.

After all, it is not very long since, in even the biggest botels in Auckland, Wellington and Christcburch, New Zealanders stopped trooping along the passage to shower and bathe. There hes always been the feellng in New Zealand thet "we don't really want to build botels that WE can't afford for those Americans." Similarly a New Zealander still likes to take out his rifle and join a few friends at the week-end in trying for a deer or two without loterference from foreign property owners.

Popular support

A casino le not the first venture thet failed to get off the gronnd. At the end of this month the hopes of George Wiles, a British millionaire who planned to turn Walter Peak, on Lake Wakltapu, into a multi-million-dollar tourist resort, will come crashing down to the sound of an auctioneer's hammer. He floated a $NZ1m. share issue to develop the 60,000 acre sheep station last year, but failed. On October 19, an order for winding-up baving been mada in the Supreme Court, the property will be offered for sale under a mortgage held by the Australia and New Zealand Banking Group. Yet George Wiles, after a rough start, had won a good measure of popular support for his idea; partly because he bad gone some way tn becoming "one of us." It may just be that there is not that much money around, in this country, for tourist development.

Fast growth

Even so, tourism is growing at a rate well ahead of the National Development Council targets in terms of both Reserve Bank travel receipts and visitor numbers (270,000 in 1970). Only manufacturing is growing faster, by a small margin. Last year the manufacturers put up an export growth rate of 31.6 per cent., whila tourism foreign excbange earnings grew by 28.9 per cent. Forest products returned an increase of 19.1 per cent., and none nf the big, traditional earners of foreign exchange, maat, wool and dairy produce did better than 4.4 per cent. (The returns from wool were down by 11.6 per cent.)

Yet tourism has a long way to go. Even at that rate of earning the total, last year, was a little over $NZ33.5m., up $NZ7.5m. on the previous year. But cargoes of dairy products brought in $NZ248.3m., meat $NZ440m., and wool, after a bad year, $NZ206.3m. Even "other animal products," at $NZ48.3m., did better than tourism.

New Zealand has only two things to sell: its natural resources and its people. The first hecame known around the world in the middle of the nineteenth century, wben travellers told marvellous tales after visiting the Rotorua thermal wonderland end the fishing in Lake Taupo. The second asset is only now being appreciated, and is being promoted under the selling slogan, "Meet the friendly New Zealanders."

Last month the Government gave Lake Manapouri a reprieve, and it will not immediately be raised to a higher level to develop hydro-electric power for the aluminium industry. That would have meant despoiling the lake shores and the partial destruction of the scenic value of one of this country's most beautiful lakes.

On the Coromandel Peninsula, east of Auckland, the plans of a syndicate to build a multi-milllon-dollar hollday resort has met with conservationist opposition. A jnint local body-Government department plan to establlsh a large-scale system of reserves, invnlving 50,000 acres of coastal land, was put in jeopardy by the syndicate's project.

Conservationists are also holding up the construction of a 140-room hntel in Qneenstown planned by the Travelodge group, from Australia. A group nf descendants and early explorers and settlers bave bandad together to protest about "the prospect of a botel nf multi-storey being built close to the edge of Lake Wakatipu. The land in question is a reserve; granted by Queen Victoria to the Province of Otago to be beld in trust as grounds wbere animals end plants may be acclimatised." The objections have been overcome, however, and the botel will go ahead after some further delay.

Hotel development

It is at Queenstown that the latest U.S. participetion in tourist botel development in New Zealand is under way. Ramada Inns of America, in conjunction with a local New Zealand company, Gemini Investments, are constructing a $NZ1.3m. botel aimed at the American tourist market. The 172-bed hotel bes avoided local controversy by being designed to e maximum height of two storeys to bland into the local environment and avoid spoiling the magnificent viewa of the famous Lake Wakatipu and the Remarkahle Mountains. Other hotel development is going ahead, particularly in the cities. An indlcation of the scope of hotel development is shown by the fact that Wellington's new James Cook Hotel, due to open in the New Year, will be the tallest building in New Zealand. Combined with a multi-storey car park, the hntel will be 300 feet high.

The international tourist industry is sbowing growing interest ln New Zealand and the latest hotel developments will eccelerate this. Air charter companies are exerting pressure to win air rights, but so far the Government continues to play a close hand on behalf of Air New Zealand. Nandi Airport in Fiji is still the key to the South Pacific but Rarotnnga's new jet airport will soon npen up the Cook islands. New Zealand is looking tn joint partic[illegible] a South Pacific tourist [illegible]

The rate of increase for [illegible]tralian tourists, at 91[illegible] year, has slackened a little. North Americans, with 27 [illegible] cent. of tha total last year, appearing in ever-increas[illegible] numbers wbile even long[illegible] British and European tour[illegible] are starting to make a signific[illegible] contribntion to the tourist tra[illegible]

Whakarewarewa, a Maori model village Rotorua.

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ALLIED'S PLANNED BID FOR THF

Two giants in the leisure market

BY KENNETH GOODING

A MERGER between Allied Breweries and Trust Houses Forte, if it can be worked out, would touch the lives of most of us. For there can be *few* people in the U.K. who are not customers of either Allied or THF, which together cover a vast number of leisure activities.

Leisure is the key word here. Brewers like Allied have for some years now been hammering home the point that they are not just producers of beer and owners of premises where it is served. They see themselves in competition with all types of entertainment businesses—for the limited cash people have to spend in their leisure hours.

Overseas

Allied now sees the chance of putting itself—and THF—on a much broader base from which to attack the leisure market, not only at home but also overseas where both groups have considerable operating experience.

But consider first the scale of each company's existing operations. Allied does not have quite the brewing capacity or the number of "tied" outlets of its major rival, Bass Charrington; but by market value (last night it was worth £355m.), it is Britain's largest brewing group.

It was itself the product of a massive merger when three companies of roughly equal size—Ind Coope, Tetley Walker, and Ansells—got together in 1961. Those names still take pride of place on the Allied public houses. In 1963 Allied added the Guildford-based Friary Meux business to its brewing side, but the most important diversification step came in 1968 when it mergered with Showerings, Vine Products and Whiteways.

To-day, Allied has split its U.K. operations into two divisions, one covering beer and hotels and the other wines, spirits and soft drinks. There are 8,000 pubs under either the Ind Coopes' Tetley Walker or Ansell's signs, and the beer and hotels division also takes in 680 off-licences. The hotels are grouped in the Ind Coope Hotels company which has 46 in all, including the "flagship," the Piccadilly in Manchester. These hotels have more than 2,100 letting bedrooms and a further 400 are being added under the Government's hotels grants scheme.

The wines and spirits division also has its quota of real estate in the 850 shops which trade either as Victoria Wine, Tyler, My Cellar, Wine Market, or in Scotland as Bailey. The wine and spirit wholesaling companies have been reorganised under Grants of St. James's which therefore now covers the whole of the U.K.

Allied's emphasis in the past five years or so has been placed particularly on the development of branded liquor lines. With the changing pattern of drinking—more non-pub outlets offering alcoholic drinks and the development of supermarkets as an important part of the off-sales trade—Allied believes that a strong range of nationally available and advertised brands is the best way to make sure of representation in the new-style outlets.

Cider, sherry

So it is not surprising that its national brands' list is quite impressive, including on the beer side Double Diamond—the "I'm only here for the beer" beer—which the group claims is the biggest-selling brand in the country. Other beers include Long Life, Skol International lager and Triple A strong ale.

The Showerings group brought with it brands like Babycham—on which that company's fortunes were founded—Coates, Gaymers and Whiteways ciders, the Britvic fruit juices, and Harveys, which is famous for its Bristol Cream sherry and other wines and which Showerings had acquired shortly before merging with Allied.

Also on the wines and spirits list Allied has products like Cockburn ports, Don Cortez Spanish wines, Nicolas table wines from France; its British wines include the best-selling VP.

Allied has nine breweries which last year produced nearly 18 per cent. of the beer consumed in Britain. Two are in Birmingham, one in Warrington and one in Leeds to supply the North; two close to London—Romford and Watford (due to be closed next year). The biggest is at Burton-on-Trent, a brewery which Allied plans to make the largest in Europe, with a minimum capacity of 4m. bulk barrels a year (roughly 11 per cent. of Britain's 1970 total beer output).

Overseas, Allied was a founder-member of the consortium of brewers owning Skol International, a company which aims either to produce or have made under world-wide franchise a lager of consistent quality. But its most important step overseas was the acquisition in 1967 of d'Oranjeboom, the Dutch brewers, to which was added just over a year later the Breda Brewery also in Holland. These companies operate four breweries and supply about 2,000 outlets under trade agreements as well as owning soft drinks businesses.

ALLIED BREWERIES

BEER AND HOTELS DIVISION
- Allied Breweries (U.K.)
- Allied Breweries (Production)
- Ansells
- Ind Coope
- Joshua Tetley & Son

WINES, SPIRITS AND SOFT DRINKS DIVISION
- Showerings, Vine Products & Whiteways
- BritviC
- Coates, Gaymers & Whiteways
- The Curtis Distillery Co.
- Glen Rossie Distillers
- Grants of St. James's
- Harveys of Bristol
- John Harvey & Sons
- Minster (Soft Drinks)
- R. N. Coate & Co
- Showerings
- Stewart & Son of Dundee
- Victoria Wine-Tylers
- Vine Products
- Whiteways Cyder Co.
- William Gaymer & Son
- Woolley, Duval & Beaufoys
- A Delor et Cie SA (Bordeaux)
- Cantrell & Cochrane Group (Dublin)
- Cockburn Smithes Y Cia Limitada (Portugal)

INTERNATIONAL DIVISION
- Allied International Breweries
- Looza SA (Brussels)
- Allied Investments (Bermuda)
- Ind Coope African Investments (Nairobi)
- NV Bierbrouwerij 'De Drie Hoefijzers' (Netherlands)
- Houweling-Wamick NV (Netherlands)
- Verenigde Nederlandse Brouwerijen Breda-Oranjeboom NV (Netherlands)

TRUST HOUSES FORTE

thf

OPERATING COMPANIES
- Trust Houses
  - Trust House Westminster Hotels
  - Trust House Hotels
- Trust Houses Forte International
- Travelodge
- Forte Catering (contract catering, popular catering, motorway service areas, Little Chefs, restaurants, outdoor catering, licensed houses)
- Forte Airport Services
- THF Products
  - Joseph Terry & Sons
- Trust Houses Forte Leisure
  - Talk of the Town, London
  - Belle Vue, Manchester
  - Festival Gardens, Battersea

SUBSIDIARY COMPANIES
- Airport Catering Services
- Airport Catering Services N.V. Holland
- Entam
- Forte & Co.
- Forte Holdings
- Frederick Hotels
- Gardner Merchant Foods Services
- Les Grands Hotels Associés S.A. France
- Harmony Hall Hotel, Bermuda
- Kensington Close
- Lillywhites
- Luncheon Vouchers
- Malta Hotels
- Milbanke Travel
- Quaglino's
- Skyway Hotels
- Travel Holdings (Australia) Pty.
- Trust Houses
- Trust Houses Forte Supplies
- Trust Houses Group Finance N.V., Holland
- Trust Houses International, Bermuda
- Trust Houses (Ireland)
- Trust Houses (Overseas)
- York Holdings

ASSOCIATED COMPANIES
- Associated British Entertainments
- Central Beach Amusements (Blackpool)
- Empresa Turistica Vale do Lobo do Algarve, Portugal
- Leased Hotels
- Motorway Services
- Severnside Hotels
- Travelodge Australia
- Travelodge International Inc., U.S.A.

Same motive

Allied would like to do more overseas—one of the reasons for its abortive merger talks three years ago with Unilever was the assumption that Unilever's ability to raise finance in Europe would enable Allied to get a firmer foothold there. The group then pointed to the threat that the giant U.S. brewers would move in first and snatch the best opportunities.

Ironically, the same kind of thinking was behind the decision for Trust Houses, Britain's biggest hotel group, to merge with Forte's Holdings, the catering combine built up by Mr. (now Sir) Charles Forte. Faced with competition, particularly from the American hotel chains who were spreading their operations across the globe, and with the incentive of the big airlines looking for accommodation for all the charter flights they expect to operate in years to come, Trust Houses and Forte decided it would be better to join forces.

The result was a company last night worth £127m. on the Stock Market and which in terms of assets and profits is one of the three largest hotel companies in tha world. The Trust Houses-Forte merger took place in May, 1970, and within six months tha activities of both concerns had been reorganised into a holding company Board and seven operating subsidiaries.

The Trust Houses division operates the hotels but it has been split into two. One side is Trust Houses Westminster, which operates seven hotels in the West End and Kensington, two in Holborn (the Waldorf and the Russell) and Grosvenor House in Park Lane—tha latter consisting of hotel rooms, flats and large banqueting facilities, and being the group's largest single operating unit.

The other side, Trust Houses Hotels, is responsible for 181 hotels with 10,299 rooms in the provinces as well as five hotels in Ireland.

Some overseas operations are handled by Trust Houses Forte International. This division controls 27 hotels in 13 countries and is also responsible for the travel companies Milbanke Travel, Hickie Borman, and Grant and W. F. and R. K. Swan (Hellenic).

Catering interests were put into Forte Catering, except Forte Airport Services, which forms a separate division, and takes in contract catering concerns like Gardner Merchant and popular catering such as the Little Chefs, the motorway service restaurants and the Henekey Inn chain.

Manufacturing, and the operations of Terry's of York chocolate company are the responsibility of THF Products; there is actually a division called Trust Houses Forte Leisure to run London's "Talk of the Town" theatre-restaurant, the Belle Vue complex in Manchester, the Festival Gardens at Battersea, and 10 seaside piers, including the one at Blackpool.

Pulled out

The remaining division was to have been responsible for holding the group interests in overseas companies formed jointly with Travelodge, the U.S. group, but legal complications held up its formation. And only last week THF confirmed it has pulled out of a £35m. plan to establish a chain of motels in Europe through the Travelodge consortium. Expansion plans overseas are at present aimed at getting more town-centre hotels in major European cities where there is a good flow of business traffic. At home, however, motels, in the shape of the THF Post Houses, are being rapidly expanded. There are 15 so far, a further five will be completed this year, and nine more are scheduled for next year.

It is something of an over-simplification, but of the two elements which made up the THF group, one was a hotel/bedroom-orientated company and the other was catering-orientated. Allied would add a third element—the provision of branded products for both types of outlets. Perhaps the effect on Allied's beer production would not be very great but the addition of THF outlets to its wine and spirit customers would have a big impact. Much of THF's wine and spirits business currently goes to a private concern, Grierson-Blumenthal.

Board split

THF would not normally have been a target, even for such a large group as Allied, but the much-publicised Boardroom row which involved the dismissal of managing director Mr. Michael Pickard and split the directors has had its effect on morale throughout the company and on the share price, making it vulnerable to some sort of approach from outside.

Allied has had its own share of Boardroom dissent. For many years after the original merger in 1961 the individual operating companies kept most of their autonomy. But when he was chairman and chief executive, Sir Derek Pritchard forced through a scheme which put the reins firmly in the hands of the central Board. More than a dozen directors of subsidiaries left about this time. In the event, Sir Derek was soon to follow, although he denied that this was anything to do with widespread rumours of more Boardroom unease.

Personality conflicts have, therefore, played a great part in the recent history of both Allied and THF, so it is fair to assume that when the pros and cons of the proposed merger are mulled over in the days to come, some people will concentrate more on whether the directors of Allied and THF make a logical fit rather than on the question of whether together the companies could have an even greater impact on tha world leisure scene.

Labour News

1,500 London tally clerks halt port

BY ALEX HENDRY, LABOUR REPORTER

THE PORT OF LONDON was brought almost to a standstill yesterday when 1,500 tally clerks went on strike to protest against 20 of their colleagues being dismissed.

More than 7,000 other dock workers had to be sent home and work on 46 ships was halted. Only four ships—at the container berths at Tilbury and the Olsen berth in the Millwall dock—were worked in what is the most serious dispute since the second stage of the modernisation scheme was introduced more than 12 months ago.

Worse trouble feared

It is likely to get worse following yesterday's decision by the Dock Labour Board to agree to 29 more clerks being dismissed.

Under the dock labour scheme the men are not dismissed from the industry. When it is agreed that they are "redundant" they are put on the temporary unattached register, where they draw £20 a week compared with the £40.50 basic rate when they are assigned to an employer.

This pool of unattached men is funded by a levy on all employers. In London there are now more than 500 dock workers on the register.

The 20 men, employed by Leete, have appealed against the decision of tha Dock Labour Board to consent to their dismissal. The appeal tribunal will have an independent chairman and the men cannot be dismissed until after the tribunal has sat, and then only if it upholds the Board's decision.

The second batch of 29 are clerks employed by G. Beare. A company spokesman said last night that it would probably give the men notice this Friday. He said the company had asked to terminate the permanent employment of 36 clerks.

The spokesman added that the company had baen forced to reduce its labour force because of the recession in tha industry and the loss of a contract to another company.

Beare's employs 91 clerks, including the 29 to be given notice, and all took part in the 24-hour strike yesterday by the tally clerks.

The decision to strike ona day a week was taken at a mass meeting last week. Mr. Tom Roffey, Transport and General Workers' Union officer, said later they would increase this to two days a week if the dispute were not settled.

The clerks demand that the men being dismissed be immediately absorbed by other employers in the port. Mr. Roffey said it was never the intention of the labour scheme that men should be put on tha unattached register without the prospect of permanent employment with another company.

Lightermen's plan

Earlier this year the lightermen, now merged with the TGWU, delayed signing the second stage of their modernisation deal because they wanted a work-sharing scheme that would help their 116 members on the register. This is still being negotiated.

Last Friday the dock unions put in a claim to increasa the £20 a week paid to the unattached men. The employers have yet to reply, but warned the unions that the industry was in poor shape to meet tha demand.

Swan Hunter strike leads to lay-offs

By Our Own Correspondent

SOUTH SHIELDS, Oct. 18.

SWAN HUNTER shipbuilders is to start laying off workers from its Tyne yards from to-morrow night because of the unofficial strike by 700 fitters.

The first to be affected will be ancillary men who directly support the fitters. A spokesman for the consortium said to-night that it was not yet known how many would go to-morrow as the figure was still being worked out.

Meanwhile there is no sign of any move to try to end the stoppage, which began after 25 fitters had been suspended at the Neptune Yard, Walker, for refusing to work overtime.

Short time at GKN works

FOR the first time in 18 years GKN Screws and Fasteners (Heath Street Division) is introducing short-term working because of falling orders from the machine-tool, engineering and other industries.

A four-day week is progressively being introduced over the next three weeks for some of its 4,500 workers in Birmingham. The short-time will be worked on a rota basis according to the order intake.

A company spokesman said further additions to stocks could no longer be supported and it had become necessary to adjust production hours in certain sections. Tha measures were being introduced in full consultation with the unions.

More labour news on Page 32

Record car sales in August

BY DAVID WALKER

THE BOOST given to new and used car sales by the easier hire purchase terms and lower purchase tax announced in the mini-Budget on July 19 brought the total turnover of the motor trades in August to record levels, Department of Trade and Industry figures revealed yesterday.

At an index of 168 (1967=100), the official figure for the month was 29 per cent. higher than a year earlier, over double the average increase achieved in the January-July period and well above the previous month's figure of 144.

The index is based on turnover at current prices, thus reflecting both price changes and the reduction in purchase tax rates.

For new cars alone, the index rose 49 per cent. on August, 1970, to 194, again well over double the average advance for the year till then, and much higher than the seasonally depressed July figure of 132.

In the secondhand vehicle sector, the improvement was slightly less spectacular, with a 27 per cent. increase compared with a year before against a January-July average rise of 16 per cent. At 158, tha index was again well above the July figura of 137, even though that had been 24 per cent. up on 12 months earlier.

Other sales and receipts, which include petrol, oil, accessories and spare parts, were worth 14 per cent. more in August than in the same month of 1970, a slightly larger advance than in the year till then. More than half of it was accounted for by higher prices, according to the DTI.

The figures were greeted by the Motor Agents Association as "an immediate effect of the Government's long-overdue July measures."

"There is no doubt those measures have stimulated motor business at all levels and have revealed the extent of the previously suppressed demand for both new and used vehicles," it declared.

Caledonian seeks U.S. flights

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH CALEDONIAN AIRWAYS, the "second-force" independent airline, has now applied to the Air Transport Licensing Board for permission to run scheduled North Atlantic air services between London (Gatwick) and New York, and Los Angeles via Chicago.

The aim, if the licences are granted, is to start flights on April 1, 1973. Unrestricted frequencies of service are sought in the licences, which the airline wants valid for 15 years, but initially the services would probably be daily to New York, and several times weekly to Los Angeles via Chicago.

The type of aircraft to be used, if the licences are grantad, has not yet been determined, but provision is being made for not only Boeing 707s and VC-10s, but possibly also a "wide-bodied" jet, such as the Boeing 747 Jumbo jet, the Lockheed TriStar or the McDonnell Douglas DC-10.

British Caledonian has been studying the "wide-bodied" jets for some time, and expects to be able soon to announce which type it proposes to buy for its future fleet. At some stage, if it wins its North Atlantic licences, it will probably also have to buy the Concorde supersonic airliner.

The company feels that its applications for North Atlantic scheduled licences are in line with the Government's own ideas of having a major independent airline flying alongside BOAC on certain major overseas routes. It feels that this was one of the major reasons for the Government wanting to set up the "second force" airline in the first place.

In the meantime, a bid by another U.K. indapendent airline, Laker Airways, for what tha airline calls its "Sky Train" service between Gatwick and New York, is to be heard by the Air Transport Licensing Board to-day.

Laker Airways is seeking approval to run a daily flight between Gatwick (London) and Kennedy (New York) from May to September, with four flights a week during the winter months.

The fares proposed are £37.50 single in summer and £32.50 single in winter. Infants up to the age of two will be carried at 10 per cent. of the fare, and children between two and 12 years of age will pay £32.50 singla in the summer and £27.50 in the winter.

Laker Airways stressed yesterday that there would ha no complex and expensive reservations system or sales organisation. "The service will be operated just like a train—buy a ticket on departure, walk on-walk off."

Saleroom

£76,921 for Chinese porcelain

THE Morrison collection of Chinese porcelain and enamels formerly housed at Fonthill, Tisbury, Wilts, was sold yesterday at Christie's for £76,921.

Top price was 5,800 gns paid by William Clayton for a K'Ang Hsi spinach green jade cylindrical brush pot. A pair of Yung Cheng "famille rose" ruby-ground vases and covers went to S. Moss and a Ch'ien Lung "famille rose" celadon ground pilgrim bottle to S. Marchant, each lot for 3,600 gns, while a Ch'ien Lung "famille rose" garniture of three slender baluster vases and two fluted beakers went to Vita Jnel and a K'Ang Hsi "famille verte" slender baluster mandarin jar and cover to S. Marchant, each lot for 2,800 gns. A "famille rose" ruby ground Mei P'ing was bought by Hugh Moss for 2,000 gns.

At Sotheby's a sale of portrait miniatures and objects of vertu realised £24,158. A 19th-century Viennese silver and enamel Nef went to Majzels for £2,900, a portrait of Nicholas Hilliard to Edbrooke for £1,650 and a miniature of Queen Anne of Denmark by Isaac Oliver to Kenyon for £950. Delomosne acquired a set of six Bilston enamel candlesticks for £820 and Fry a miniature of Capt. the Hon William Carew by Mrs. Anna Mee for £680.

Sotheby's sale of clocks, scientific instruments, and watches totalled £25,132. Neilson of Tetbury paid £780 for a walnut marquetry longcase timepiece and Neumann £750 for a gold hunting cased minute-repeating perpetual calendar keyless lever watch. A gold and enamel dumb quarter-repeating Verge watch was bought by Denton for £720 and an eight-day marine chronometer by Richard Rippon by Tuke for £520.

The first part of Sotheby's three-day sale of printed books, formerly the property of the late Roger Senhouse realised £12,786. Quaritch gave £340 for Blake's *Illustrations of the Book of Job* published by the Pierpont Morgan Library in 1935 and Marlborough £320 for Decker's *Chinese Architecture*, and *Gothic Architecture Decorated*, printed for the author in 1759.

COMPANY NEWS + COMMENT

Allied Suppliers recovery trend

CURRENT levels of trade for Allied Suppliers, the food group, would indicate a return to tha profit trends achieved before the setback in the second half of 1970, the directors state.

First-half sales have increased from £129m. to £140.7m., but profit before tax has fallen from £3.88m. to £3.67m.

The interim dividend is beld at 5 per cent.; the 1970 total was 17½ per cent. from profits of £7.1m.

	First half 1971 £000	1970 £000
Group sales	140,706	129,055
Retailing	108,740	100,756
Manufacturing	1,612	1,432
Overseas	30,348	26,867
Profit	4,440	4,549
Retailing	2,378	2,421
Manufacturing	151	149
Overseas	1,303	1,420
Property income	608	559
Expenses and interest	764	662
Profit before tax	3,676	3,887
Taxation	1,715	1,625
Net profit	1,961	2,062

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prevented e general 10-15 per cent. rise in costs from pushing profits into reverse. More than half of L and P's work is dooa on loog-term fixed price contracts and it takes the group six mooths or longer to increase prices. It looks as if L and P is going to be hard put to better last year's second half and increase earnings above 11p a sbare in 1971 for a 10 p/e et 110p last night. That is probably fair enough meantime with the recently formed central buying organisation expected to bave its first impact on profits in 1972.

3% more by J. Shaw (Salford)

THE directors of John Sbaw and Sons (Selford) report that group profit for the year ended July 31, 1971, efter e specific provision of £24,000 for potential losses on work for Rolls-Royce, Ltd., amounted to £39,149, compared with £22,565 previously.

Tbe dividend ls raised from 5 per cent. to 6 par cent.

Tax for the year tekes £12,694 (£1,500) leaving £26,455, against £21,065. The group manufactures hydraulic presses and equipment.

It is intended to post the report and accounts together with the cbairman's review to shareholders on November 8. Meeting, Wellington Works, Salford, on December 2.

Progress at London Poster

REPORTING ON the first half of 1971, the directors of London and Provincial Poster Group state the results and the prospects for the rest of the year confirm the forecast made in May, and they expect et least to maintain tbe 18 per cent. dividend.

The forecast was that profits for 1971 would exceed those of 1970 by more than the additional two mooths profit from the Boro Group.

For the first six months, profit before tax has risen from £290,000 to £330,000. For the first time profits are being made by Australian Posters Pty. and Adshel (bus shelter advertising) although as yet at a modest level, while profits from the main operation are being well maintained.

After tax £134,000 (£130,000) and minority £2,000 (nil), net attributable profit came to £194,000 (£160,000). The interim dividend is held at 6 per cent.

Liquidity has improved as a result of the sale of properties which were surplus to requirements following the acquisition of Boro.

● comment

Adjusting the first-half of 1970 to include e full six months from Boro brings London and Provincial's interim pre-tax growth in 1971 down to about 1½ per cent., and it seems thet a good part of this came from the new Australiao operation. So with very little in the way of immediate organic growth coming from the group, only the now exhausted rationelisation benefits of the Boro merger

Dunbee-Combex advance

AN INCREASE in first half group net trading profit from £78,037 to £84,920, and subsequent trading figures, of Dunbee-Combex-Marx confirm the Board's opinion that there should be "a substantial increase" in profits for the current year.

For the previous year there was a group profit, before tax, of £303,794.

The group manufactures toys, plastics and toiletries.

● comment

Interim figures from Dunbee are comperatively meaningless with roughly three-quarters of total profits coming from the second six months. However, a 9 per cent. increase pre-tax fits in with tha forecast of a good year. Orders to date are 10 per cent. higber, margins are better, and losses in toiletries and prams have been eliminated. There have also been price increases across the Board. Thus Dunbee could get back to around the 1969 level (£431,000). This year, taking £400,000 means a prospective p/e of around 14½ at 110p. That could be a bit of a premium for a group in a recovery situation, especially when viewed against the general malaise of the toy industry.

RCF profit expansion

A FINAL dividend of 5 per cent. by RCF Holdings makes a total of 18½ per cent. for the 16 months to July 31, 1971. For the previous 12 months period the dividend was an equivalent 11.25 per cent.

In July, the second interim dividend of 8½ per cent. then paid met the forecast of 13½ per cent. for 12 months on capital as increased as a result of the offer for Fry's (London).

Pre-tax profits for the 16 months amounted to £776,224 and net profit was £457,701, representing profits of the formar Rebone Chesterman Group for 16 months and the Fry's (London) Group for the year to July 31, 1971.

Comparative figures for tha previous 12 months were pre-tax profit £580,403, and net profit £323,440, comprising tha aggregate of the 12 months ended March 31, 1970 in respect of Rabone Chesterman and 12 months ended July 31, 1970 in respect of the Fry's (London) Group.

The group manufactures rules, spirit levels, etc. Meeting, Hockley Abbey Works, Birmingham, Novembar 26 at 3 p.m.

● comment

RCF's 1970-71 performance—profits up 11 per cent. on an annualised basis—was better than expected and tha shares rose 7p yesterdey to 91p. The benefits of tbe Jenuary merger have not yet been seen in profits so growth so far reported reflects continued expansion at hoth Rahone Chesterton and Fry's (Londoo). Tha rationalisation end reorganisation following tha merger is still in progress and the first real benefits should begin to come through in the current year; and with demand for hand tools currently at a reasonably high level the group should be well equipped to take edvantage of this. A more optimistic rating than the annualised p/e of 7.9 could he merited.

Bishop's Stores holds 9½%

ON INCREASED sales of £32.24m., against £28.09m. — reflecting a strong finish in the final quarter —group pre-tax profit of Bishop's Stores advanced sligbtly from £407,156 to £408,187 in the year to June 26, 1971. The profit is struck after SET of £166,088, against £134,944.

The dividend is maintained at 9½ per cent. with a final of 5½ per cent.

On prospects, chairman, Mr. J. H. Bradfield, says the reduction in the SET bill for the current year and the huoyant sales are encouraging. On the other hand there is no sign of a decrease in the cost spiral.

If the divisions meet their budgets, prospects are good, hut the directors have felt it prudent to adopt a conservative dividend policy in respect of the past year.

	1970-71 £	1969-70 £
Group turnover	32,243,054	28,091,768
Trading profit	936,424	841,820
SET	166,088	134,944
Loans interest	4,846	4,929
Auditors' remun.	7,880	5,857
Depreciation	349,423	268,934
Profit before tax	408,187	407,156
Taxation*	184,130	187,000
Minorities	121	†1,457
Attributable	223,936	221,613
Dividends	113,161	114,758
Unappropriated	110,736	106,855

* Including £36,000 (£20,000) equalisation reserve. † Losses.

Much of the sales increase was due to the major changes in marketing policy introduced in January and which involved the creation of three trading divisions, says Mr. Bradfield.

It is unlikely that the profits were affected by the changes which were taking place towards tha eod of the period.

On the retail side it waa not easy to maintain margina but by introducing a large number of Bishop's own label goods "we have maoaged to protect customers against substantial price increases and ourselves against a falling rate of profit." The company has increased its number of Babygear shops and is seeking further aites.

Most of the sales increese in the wholesale division cama from supplies to the other trading divisions, with only a steady progress in sales to VG voluntary group customers. Howaver, in this last respect, a massive national campaign is now under way and great activity is expected during the current financial year.

Meeting, Ruislip, November 17 at 8 p.m.

Staffs Potteries pays more

FROM RECORD group pre-tax profits of £290,691, against £175,604, Staffordshire Potteries (Holdings) is lifting its dividend from 20 to 25 per cent. for the year to June 30, 1971, with a final of 15 per cent.

Also e special interim of 2½ per cent. is declared in respect of the current year.

In view of the record results, coupled with "extremely buoyant" trading for the first quarter of the current year, the Board feel justified in recommending "a suitable increase in dividend." In case present doubts arising out of tha U.S. dollar crisis should not ba resolved before June 30, 1972, and in case they should have any repercussions on the trade that have not so far been experienced, the Board, as a matter of prudeoce, are recommending the proposed final of 15 per cent.; but et the same time bave created a dividend equalisation reserve of a further 2½ per cent. which they propose to employ forthwith by declaring the special interim.

	1970-71 £	1969-70 £
Home sales	2,249,253	1,805,616
Export sales	641,243	529,219
Total sales	2,890,496	2,334,835
Profit before tax	290,691	175,604
Taxation	113,379	70,773
Minorities	7,205	—
Attributable	170,107	104,831
Dividends	61,380	49,104
Dividend equalisation	6,138	—
Retained	102,589	55,727

The dividend and special interim is shown to be covered over two and a-balf times.

Meeting, December 16.

● comment

Staffordshire Potteries really got into its stride in the January-June half of 1970-71, and a 90 per cent. pre-tax jump then has lifted the full year total by 65 per cent. In part this acceleration is only recovery from the after-effects of last July's fire, but the recent capital spending programme has also made its impact with a bigger proportion of firsts (thus less wastage) as well as a two and a-half point increase in margins to 10.1 per cent. Tha wide spread and steady growth of overseas markets helped here, while SP's lack of dependence on the U.S. puts it in a better overall position at present than some other potters. In the U.K. great hopes are placed on plans to expand from the traditional base (coffee mugs, breakfast sets) to sell dinnerware as well. In any event, the huoyant first quarter trading should ba enough to prop up a p/e of 11 (12.3 fully diluted) at 192p, up 9p yesterday.

R. Hudson keeps to forecast

DESPITE A fall from £215,000 to £195,000 in first-balf profit, the directors of Robert Hudson state that the satisfactory increase over the £589,000 for the year 1970, indicated last May, will be achieved.

The results for the first half were affected in particular by problems in the automotive trade which bave now been overcome, thay explain.

The interim dividend ia raised from 8¾ to 9 per cent. The 1970 total waa 18¾ per cent.

Holders will shortly be receiving detailed proposals covering tha enfranchisement of "A" Ordinary shares coupled with a compensatory issue to Ordinary holders on a one-for-15 basis, and the introdnction of an executiva share incentive scheme.

	Half-year 1971 £000	1970 £000	Year 1970 £000
Group sales	6,236	5,479	12,363
Trading profit	172	214	582
Share from Associates	23	1	7
Profit before tax	195	215	589
Taxation*	95	119	284
Net profit	100	105	305
Exceptional credit†	27	—	21
Available	127	105	284

*U.K. tax £89,000 (£134,000 and £282,000 for year) completely offset by double tax relief. Overseas tax £89,000 (£110,000 and £251,000) after overspill relief £17,000 (£26,000 and same). Share of tax associated companies £6,000 (nil and £3,000). † Effect of change of basis of dealing with interest receivable in Angola. (Debit year 1970 various items.)

Calcutta Elec. shortfall

Mr. Ian Macpberson, chairman of Calcutta Electric Supply Corporation, says the Clear Profit will again fall short of the Reasonabla Return for the current year.

However, provided the company succeeds in implemanting the rate structure the directors contemplate and provided also costs can be contained withio the limits forecast and that there is no serious deterioration in sales, "we would expect our Clear Profit and Reasonable Return to be in approximate balance in the year 1972-73," the cbairman states.

In the year ended March 31, 1971, the Clear Profit at £781,744 was some £461,000 less than the Reasonabla Return to which the company was entitled. The reason for the shortfall was the continuing escalation of costs, unmatched by a sufficient increase in revenue.

As stated on September 27, with the preliminary figures, the dividend is cut from 13 per cent. to 10 per cent.

Mr. Macpherson will be retiring early in the next financial year, and the Board will then consist of five directors resident in India (of whom one will be chairman) and two resident in the U.K.

Meeting, Calcutta, November 10. As last year, U.K. shareholders are invited to attend an informal meeting with the directors at Victoria Hall, Bloomsbury Square, W.C. on November 2 at noon.

28% from Newman Tonks

IN ITS first full year of operation, makers of architectural and builders' hardware Newman Tonks has produced a profit of £905,023, after metal losses of £61,000.

The final dividend is 20 per cent., to make 28 per cent. for the year to July 31, 1971.

In the previons seven months group profit was £613,427, and the dividend 16½ par cent.

After tax of £297,943 (£266,340), including a credit of £71,736 (nil), and minorities £10,273 (£7,210), net attributable profit was £596,807 (£339,877) of which the dividend absorbs £334,600 (£195,183).

At July 31, net tangible assets totalled £4.14m. (£3.93m.), with fixed assets £2.18m. (£2m.) and net current assets £2.39m. (£2.29m.).

Meeting, November 24 at noon.

Stonehenge Bricks paying 7%

Stonebenge Bricks, manufecturers of bricks and roofing tiles, coke and coal merchants, is paying a dividend of 7 per cent. for the year to June 30, 1971. There was no payment for the previous year compared with 5 per cent. for 1968-69.

Group profit was £10,619, against a loss of £2,489. After tax of £1,352 (nil) the net figure was £9,267 (£2,489 loss). Tha dividend takes £9,800.

The group profit is arrived et after provision of £14,048 against debt due from Rolls-Royce £28,096. Surplus on sales of land of £11,055 has been taken to capital reserva and is availabla to members.

3% extra by Dorrington Investment

The satisfactory result expected by Dorrington Investment Company in April turns out to be an improvement in group profit, hafore tax, from £175,924 to £180,469 for the year ended June 30, 1971.

A final dividend raised from 11½ per cent. to 13½ per cent. steps up the total from 22 per cent. to 25 per cent.

At the balf way stage, profit was £83,400, compared with £80,100.

The share of profit of the Associated company, Dorrington Developments, for 1971 represents 50 per cent. of its profits for the 15 months ended March 31, 1971 (1970—share for 12 months to December 31, 1969, together with e further distribution of £763 out of previously retained profits).

	1971 £	1970 £
Share of Associates	68,307	55,454
Other income†	112,162	120,470
Profit	180,469	175,924
Tax	73,600	79,920
Net profit	106,869	96,004
Tax overprovided	5,627	
Available	265,802	230,303
Interim dividend	40,250	36,750
Final dividend	47,250	40,250
Forward	178,302	153,303

*Including adjustments in respect of associated company. †After charging £8,809 expended to bring certain properties to standard required by Housing Act 1969. Increased rents will be received over the next five years.

CLYDE GENERAL

M. and G. (Scotland) announces that tha interim distribution on Income units in Clyde General Trust Fund for the year ending April 16, 1972, is at the rate of 0.6p net per unit, payable on December 8, 1971. Incoma units were quoted xd yesterday.

The signing of the agreement under which Associated Spring Corporation ("ASC") acquired the spring manufacturing business of Herbert Terry and Sons ("Terry"), of Redditch, Worcestershire, was completed in London yesterday by ASC chairman Carlyle F. Barnes (right) and Mr. Christopher Mnira, chairman of the British company.

DIVIDENDS ANNOUNCED

	Current payment %	Date of peyment	Corresponding div. %	Total for year %	Total last year %
Allied Suppliers ......int.	5	Dec. 15	5	—	17½
Bishop's Stores	5½	—	5½	9½	9½
Dorrington Investment	13½	—	11½	25	22
Dualvest ......int.	4.364	Nov. 30	4.46	—	8.27
Duport ......int.	5	Dec. 18	5	—	(g)22½
Eastern and General	(b)5	Nov. 19	4.166	—	11.25
John Farmer ......int.	3	Nov. 23	2½	—	17½
Feedex	10	Dec. 10	7½	—	21½
Thomas French	23½	—	14½	30	21
Halma Investments ...int.	7½	Nov. 30	7½	—	12½
Robert Hudson ......int.	9	Nov. 24	8¾	—	16¾
John L Jacobs ......int.	(c)7	Nov. 18	7	—	19
London Prov. Poster int.	6	Nov. 30	6	—	18
London Trust ......int.	(h)3	Nov. 25	2½	—	6½
Manganese Bronze	†0.5p	—	0.416p	(d)1.337p	0.833p
Miller and Lang	10	—	5	10	5
Nash Securities ......int.	5	—	—	(j)—	5
Newman-Tonks	20	Nov. 25	16½	28	(k)16½
RCF	5	Dec. 7	*7.08	(e)18.5	*11.25
John Shaw	8	Dec. 3	5	8	5
Staflex ......int.	4	Dec. 11	nil	—	5
Staffordshire Potteries	15	Dec. 18	11½	25	20
Staffordshire Potteries int.	(f)2½	Dec. 18	—	—	25
Stonehenga Bricks	7	Dec. 6	nil	7	nil
Town Centre Secs.	8	—	7½	8	7½
Ben Williams ......int.	5	Nov. 26	5	—	15

* Equivalent after allowing for scrip issue. † Amount per share. (a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) Interim report will be circulated on October 21. (d) For 19 months, on increased capital. (e) For 16 months. (f) Special interim from equalisation reserve. (g) For 18 months. (h) To reduce disparity final not less than 2½ per cent. forecast. (j) Minimum 10 per cent. forecast for period ended September 30, 1971. (k) For seven months.

ISSUE NEWS AND COMMENT

£50m. GLC stock by tender

Arrangements have been completed for an issue by tender of £50m. 7¾ per cent. GLC stock, 1981, at e minimum price of £99 per cent. The stock is payable as to £10 per cent. with tenders, £40 per cent. on Wednesday, November 24, and the balance on Wednesday, January 5. Interest is payable half-yearly with a first payment of £2.01 per cent. due on March 15, 1972.

The proceeds of the issue will be used to replace monies borrowed temporarily to meet capital expenditure pending the raising of loans; to redeem other loans falling due for repayment; to finance further capital expenditure.

Brokers to the issue are Mullens and Co.

● comment

The GLC stock, at the minimum price, is offering about 11p more than the recent Bristol issue did over the comparable gilt. But this differential does not seem unreasonable when considering that Bristol only raised £5m. So with gilts looking easier yesterday it would not seem necessary to tender much, if anything, above the minimum price.

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CUMMINS INT. FINANCE

The $15m. 6¼ per cent. Subordinated Guaranteed Convertible debentures due 1986 in Cummins International Finance have now been sold. The debentures which are convertible on and after June 30, 1972, are unconditionally guaranteed by Cummins Engine Company and were underwritten by a group beaded by the First Boston Corporation, Union Bank of Switzerland (Underwriters), J. Henry Schroder Wagg and Co., S. G. Warburg and Co. and White Weld and Co.

HEMDALE

Permission has been granted by the London and Northern Stock Exchanges for the quotation of the Hemdale Group's £877,188 9¼ per cent. Convertible Unsecured Loan stock, 1991-96. Of the stock, £275,000 has been placed at par and the halance is to be issued as part of the consideration for the acquisition of Constellation Investments.

The stock is convertible into Ordinary shares of Hemdale in any of the years 1973, 1974, 1975 at the rate of 10p nominal of Ordinary capital for each 75p, 85p and 95p of stock respectively.

Dealings are expected to start to-morrow.

In connection with the acquisition of Constellation Investments, the offers for all the Ordinary shares and "A" Ordinary shares have become unconditional.

Acceptances have been received in respect of 1,604,550 Ordinary shares, being 80.2 per cent. of the issued Ordinary share capital and in respect of 2,087,782 "A" Ordinary shares being 90.9 per cent. of the issued "A" Ordinary share capital.

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NEW DEALINGS

Dealings started yesterday in Allnatt London Properties' 9¼ per cent. Debenture stock 1996-2001. The stock, which was placed at per, opened at 27 (£25 paid) and closed et 27¼.

Fodens's 9¼ per cent. Debenture stock 1997-2002, which was placed at £99 per cent., opened at 71¼ (£70 paid) and closed et 71.

COLONIAL STORES

The $15m. 8 per cent. Sinking Fund debentures due 1996 in Colonial Stores have now been sold. The debentures were issued through an undarwriting group headed by Merrill Lynch Pierce Fenner and Smith.

Woking Water debentures

Arrangements have been completed for a placing of £1m. 9¾ per cent. redeemable Debenture stock 1994-96 in Woking and District Water Company at par.

The stock is payable as to £25 per cent. on application with the balance on November 22. Interest is payable half-yearly with a first payment of £1.223 per cent. due on December 31, 1971.

Part of the proceeds will be used to redeem £50,000 4½ per cent. Debenture stock. The remainder of the proceeds will be used to fund capital expenditure.

Brokers are Seymour Pierce and Co.

● comment

Although only a small issue, the specialist demand for these water stocks was sufficient to comfortably absorb the Woking stock. There was a fair shake out in the fixed interest market yesterday but taking a line through Essex 10's yielding 9.3 per cent. at 22 Woking should still start et about a point premium.

Abridged details Page 23

OFFICIAL QUOTATIONS

Permission to deal in and quotation for the undermentioned securities has been granted—

Bonochord—3,472,328 New Ordinary shares of 5p each, fully paid (nil paid).

British Relay Wireless and Television—1,526,884 Ordinary shares of 25p each, fully paid.

Clover Dairies—2,800,000 New Ordinary shares of 25p each, fully paid.

Gelfer (A. and J.)—1,000,000 New Ordinary shares of 20p each, fully paid.

Great Universal Stores—After allotment £10,245.75 "A" Ordinary stock.

Group Investors—950,000 Deferred shares of 25p each, partly and fully paid (nil paid, A/L fully paid); Options to subscribe for 475,000 Ordinary shares of 25p each (A/L fully paid).

Gunn (A.) (Holdings)—926,667 New Ordinary shares of 25p each, fully paid.

Mann and Overton—900,000 New Ordinary shares of 25p each, fully paid.

St. Martins Property Corporation—23,867,505 New Ordinary shares of 25p each, fully paid.

Bluemel Bros.—121,825 Ordinary shares of 25p each, fully paid (ranking for dividend from October 3, 1971).

Fenner (J. H.) and Co. (Holdings)—75,000 "A" Non-Voting Ordinary shares of 25p each, fully paid.

Imperial Chemical Industries—£2,793,… New 10¾ per cent. Unsecured Loan stock 1991-96, fully paid; £3,593,021 New Ordinary stock (ex dividend).

UNIT TRUSTS

S & P GUIDE

The Save and Prosper Group announces the publication of the 1972 edition of the Professional Advisers Guide. Published by S. and P. Services, the company exclusively concerned with assisting professional advisers such as accountants, bank managers, insurance brokers, solicitors and stockbrokers, tha guide is designed as a primary source of reference on all the S. and P. Group's unit trusts and the entire range of associated plans and services.

The book features charts which give an at-a-glance guide to solutions of a wide range of investment requirements, making use of the group's investment media. There are separate detailed sections on the trusts.

A new feature of this edition is a self-contained eight-page section on tax and estate duty considerations affecting U.K. and overseas investors, including a summary of the main changes resulting from the 1971 Finance Act. Another section covers special services for private investment companies, trustees, pension funds, charities and company savings schemes.

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BIDS AND DEALS

Grimshawe-Windsor buys Spon Industries

GRIMSHAWE - WINDSOR, the chemicals, paints and do-it-yourself group, announces that arrangements have been completed for the acquisition by a subsidiary, J. Manger and Son, of Spon Industries, a London-based private company, principally engaged in the wholesaling of polythene sheeting and bags and the supply of screws, hardware trimmings and packaging products.

Spon's principal vendor, Mr. M. Rebak, will join the Board of Manger, and two Manger directors will join the Board of Spon. It is expected that considerable vertical integration benefits will accrue to Manger from the acquisition, including utilisation of manufacturing facilities of a Manger subsidiary in Southern Ireland.

Spon results for the three years ended March, 1971 have shown turnover increased from £619,000 to £804,000, and profits before tax from £30,000 to £62,000. Vendors have warranted pre-tax profits of £51,000 for the nine months to December 31 1971.

Net assets at March 31, 1971 were approximately £88,000 and liquid assets currently total approximately £102,000.

Considaration for the acquisition is £280,000—770,000 G-W 5p Ordinary shares plus £33,600 cash. Vendors will retain 250,000 shares and the balance will be underwritten by P. R. Grimsbawe and Co. at 32p each. On the basis of annual pre-tax profits of £68,000, the purchase price valuea Spon on an exit price earnings ratio of 6.8, equivalent to approximately 4.4 allowing for the liquid content of its assets.

In the negotiations G-W has been advised by P. R. Grimsbawe and Co. and Spon by First Maryland.

LIMMER SAYS "WAIT"

Membars of Limmer Holdings are "strongly advised" to taka no action on the offer made on behalf of Tarmac, pending receipt of the directors' detailed comments and advice, which they will send out as soon as they and their advisers bave studied the formal offer document, now sent to stockholders.

When the offer was originally announced last month, the terms were equivalent to just under 32p per Limmer stock unit and holders were informed that the Board and financial advisers, Lazard Brothers and Co., considered this to be far too low. Limmer closed at 38p yesterday.

EVA PURCHASE

Eva Industries bas acquired Abbey Heat Treatments, of London, and its subsidiary Abbey (Precision) Heat Treatments, with effect from April 1, 1971. Abbey group provides a specialist heat treatment service which can be conveniently integrated with the existing facilities provided by Eva.

The purchase price of £50,000 has been satisfied by the issue of 29,615 Eva Ordinary stock. Net book value of the assets to be acquired (as at September 30, 1970) is £42,605, after depreciation £26,843.

Hestair acquires Eagle

Another acquisition by Hestair—part of the current re-organisation of this London-based group with interests in Kent, the Midlands and Yorkshire — is announced yesterday with the purchase of The Eagle Engineering Company, Birmingham, manufacturers of special purpose vehicles.

Consideration is 60,000 Hestair shares and £154,000 in cash—together worth some £237,000.

The purchase, effective from July 2, was mada by the acquisition of Eagle's subsidiary Always Welding which will change is name to Eagle Engineering Company.

Tangible assets acquired (excluding freehold property) were valued at £215,548. In tha six months to July 2, 1971, Eagle's pre-tax profit was £135,789 on sales of £1,091,668, but including one exceptionally large contract. Current annual rate of profit is estimated at not less than £130,000.

Mr. D. Hargreaves, chairman of Hestair, saya Eagle has a substantial share of the market for refuse-collection and aircraft-support vehicles and its business is highly complamentary to that of Hestair's existing subsidiary, Yorkshire Vahicles, which make road-sweeping and effluent-disposal tanker vehicles. The two companies as an integrated unit will form an important force within this growing market, and it is intended to form within the new group a strong international markating unit.

Further acquisitions within this field are contemplated, he adds. Hestair has, in the last six months, closed two subsidiaries, sold threa more—as well as the main site at Heston—and completed four major acquisitions in the sphere of vehicle prodnction and engineering.

J. J. ALLEN PREF.

In the October, 1969, offer on behalf of House of Fraser to acquire all the Ordinary capital of J. J. Allen it was stated that, subject to htat offer becoming unconditional, House of Fraser intended to make, in due course, offers to acquire all the issued Preference of Allen.

It is now announced that the directors of both companies, in consultation with Scottish Industrial Finance, have formulated a schema under which holders of Allen Preference can exchange into unsecured loan stock of House of Fraser.

The basis is 100 7 per cent. £1 Preference—£100 8¼ per cent. Unsecured loan stock; 100 7½ per cent. 2nd £1 Preference—£105 8¼ per cent. Unsecured Loan stock.

Alternatively, holders can take House of Fraser £1 7½ per cent. Preference on tha basis of 100 shares or 105 shares for each 100 7 per cent. or 7½ per cent. Second Preference respectively.

It is planned to post documents giving full details early in November.

Bacal-Hawtin discussions

Talks are taking place between Bacal Construction and A. P. Hawtin and Sons with a view to the acquisition by Bacal of the issued capital of Hawtin.

A medium sized building and contracting company, Hawtin is privately owned and has been based in Northampton for nearly 100 years.

On successful completion of the talks it is intended that Hawtin's activities will be expanded and that it will continne to trade under is own name.

BARCLAY & SONS BUYS CARTWRIGHT

Barclay and Sons—the pharmaceutical division of Barclay Securities—has acquired Cartwright (Rawdon) and Lakeside Laboratories, manufacturers of a range of pharmaceutical and toiletry products in Leeds.

It is intended that their operation will be merked with Reynolds and Branson of Leeds, acquired by Barclay in May.

Mr. S. Ritchie, commercial director of Barclay and Sons, said this acquisition doubled group turnover in Yorkshire to over £4m. and provided the group with thrae operating centres in the area.

FNFC-THREE STARS PROPERTY MERGER

First National Finance Corporation has agreed terms to merge two of its principal property subsidiaries with the fast-growing Three Stars Properties—a company in which it has been jointly involved with Mr. John Taylor.

The new company—which will retain tbe Three Stars name, will start life with an initial portfolio of some £7m. However, rapid expansion from this base is envisaged and office projects will be added to the sphere of activities. There will also be a new emphasis upon property investment and the retention of the best developments. Until now, most of Threa Stars property deals have been looked upon as trading situations.

Three Stars is to bave an issued share capital of £100,000—80 per cent. owned by FNFC, and the balance by Mr. Taylor. Consideration of the merger to Mr. Taylor is £450,000, which will be satisfied by the allotment of FNFC Ordinary shares in three equal instalments over the next two years. Mr. Taylor is also being granted an option which requires FNFC to buy his 20 per cent. holding in 1977 at a price based upon average profit over five years.

Mr. Pat Matthews will be chairman of Three Stars, Mr. J. Black is appointed deputy chairman, and Mr. Taylor is to be managing director.

ASSOCD. SPRING-H. TERRY

Associated Spring announces completion of the agreement under which it acquires the spring manufacturing business of Herbert Terry and Sons of Redditch.

Under the terms, appcoved last waek by Terry shareholders, ASC is purchasing for about £1.15m. in cash all the shares of a newly-formed subsidiary of Terry to which its manufacturing business has been transferred. Known as Herbert Terry and Sons, this will be operated by ASC as a wbplly-owned subsidiary. The original Terry concern will continue in business as H. T. Investments, an investment company.

ASC will also provide working funds over the next few months, thus raising its total investment to over £1.25m.

HOLLAS TEXTILE

Acceptances of the offer on behalf of Mr. A. R. Lawson for tha 784,000 Ordinary shares of Hollas Textile Holdings not already owned by him and his associates have been received in respect of 93,532 shares. Since it was not conditional on any minimum nnmber of accepances the offer has now closed.

5% interim from Nash Securities

Satisfactory trading conditions have prevailed throughout the J. F. Nash Securities group and directors expect the changed accounting period to show a substantial increase in earnings per share.

A 5 per cent. interim dividend is declared and a final of not less than the same amount is anticipated compared with the single 5 per cent. for the year to March 31, 1970.

The accounting period ended on September 30, 1971, ao as to bring Nash into line with the newly acquired subsidiary, Gallay Group. The period comprised one year's trading of Gailey (including six months pre-acquisition) and 18 months for the rest of the group.

It is not anticipated that accounts will be available for despatch until January, 1972. In view of this, the Board has obtained from the Department of Trade and Industry permission to dafer its 1971 annual meeting until February, 1972.

MINING NEWS

Noranda's uranium stake in jeopardy

BY LESLIE PARKER, MINING EDITOR

YESTERDAY'S news from Australia provided further episodes in the tortured convolutions that seem to plague the mining scene in that part of the world since the collapse of tha 1966-70 boom period.

In the first place, Michael Southern reports from Sydney, tha local offshoot of Canada's Noranda group stands to lose 75 per cent. of its $8.9m. (£4.14m.) investment in the uranium companies Queensland Mines and Kathleen Investments which owns 50 per cent. of Queensland.

This is because there has not yet been any fresh determination of the extent of foreign shareholdings in the two companies. It is not known whether such boldings exceed the limits of the October, 1970, ordinance although it is widely believed in Sydney that they do.

Possible loss

The ordinance, it may be recalled, ruled that overseas investors may not own more than 15 per cent. of the capital of either company while no single foreign investor could own more than 5 par cent. in any one company. It was for this reason that dealings in Queensland Mines and Kathleen wara barred in London and still are.

It is considered that Noranda could be required to sell part of its holdings if they are beyond the limit and that this could mean at current market prices a loss of around $6.6m. (£3.1m.). The shares were bought from the Minsec liquidator and there is thua no way of obtaining a refund at the price originally paid.

It is understood in Sydney that other foreign owners of shares in the two companies, including ICI, could be jeopardised.

NBH ACCOUNTS QUALIFIED

The second piece of controversial newa from Australia concerned one of the pillars of the establishment, North Bcoken Hill. Once again tha auditors have seen fit to qualify the accounts of one of the major Melbourne companies. Again it concerns the deferment of tax liability.

The auditors consider that some $6.5m. should have been set aside out of the accumulated profit of $24.12m. (the net surplus for the year to June 30 was $6.24m.) as a provision for deferred tax.

In this instance there is also another qualification. This is that the capital profit of $0.52m. on sale of investments should not have been credited to general reserve but should have formed part of the 1970-71 net profit. NBH were unchanged at 68p yesterday.

CLEVELAND TIN RAISING OUTPUT

One of Australia's major tin producers, Cleveland Tin, a member of the Aberfoyle group now controlled by Canada's Cominco, reckons to sustain its profits in 1971-72 providing there is no further decline in tin and copper prices.

Helping tbe company to achieve this objective, the chairman told the annual meeting, will be a production target of over 2,000 tons of tin concentrates, an increase of 18 per cent. or more.

For the year to last June, net earnings fell by 47 per cent. to $1.12m., equal to 6.05 cents a share, a reflection of lower metal prices and significant increases in wages and the costs of materials and services. Cleveland were unchanged yesterday at 30p.

ROUND-UP

At yesterday's Melbourne meeting of Gold Mines of Kalgoorlie the chairman, Sir Lindesay Clark, said that no dividends would be paid wbile the loan from Western Mining is outstanding. As stated in the annual report, this was increased by $586,000 to $949,000 during the year to June 30. Sir Lindesay added that the loan has been reduced in the current year.

Mining operations are expected to continue until the first half of 1973. The value of GMK assets at tha termination of gold mining operations will depend on whether the plant is to be converted to treat nickel ore from tbe operations of other companies in the area.

A second bauxita find has been made by Buka Minerals on New Georgia Island in the Britisb Solomon Islands. At the original deposit follow-up investigations have indicated a minimum of 4.8m. tons of ore.

From Djakarta it is reported that the Indonesian Government has signed a 30-year contract for tin exploration on Bangka Island with three Australian companies, Colonial Sugar Refining, Blne Metal Industries and Ready Mixed Concrete. The companies have formed Koba Tin with an authorised capital of $U.S.1m.

SOUTH AFRICAN GOLD OUTPUT

A further reduction in output is reported by South Africa's gold mines for September. The latest figure of 2,606,590 ounces compares with 2,747,609 ounces a year ago and with 2,646,593 ounces in August. This brings the 8-month total to 23,650,956 ounces against 24,134,472 ounces at this time last year when production eventually reached a record 32.15m. ounces.

MINING BRIEFS

GOLD AND BASE METAL—September: Long tons concentrates (73 per cent. grade): Tin 47 tons, columbite 3 tons. Nine months to date, tin 425 tons, columbite 28 tons (same period last year, tin 470 tons, columbite 34 tons).

ROOIBERG MINERALS—Quarter ended September 30, working profit R260,727 (June quarter: R250,494). Sundry revenue R12,000 (R11,600). Capital expenditure R88,000 (R126,800). Taxation R80,200 (R60,700) and loan levy R6,000 (R13,700).

UNITED TIN OF NIGERIA—September: long tons concentrates (73 per cent. grade): Tin 8 tons, columbite nil. Six months to date, tin 63 tons, columbite nil (same period 1970-71, tin 63 tons, columbite nil).

NEW GUINEA GOLDFIELDS—September: Golden Ridges: Milled 5,593 tons of ore assaying 0.1492 ozs. fine gold produced 1,225 ozs. fine silver produced 1,242 ozs. Alluvial Workings: Bullion produced 50 ozs. Wau Sawmill: timber produced—Super Feet 174,632. Vanimo Production: Log production—Super Feet 1,055,000, sawmill timber produced—Super Feet 81,337.

IFI away to good start

THE CURRENT year has begun well for Industrial Finance and Investment, the group incorporating merchant bankers Dawnay Day, says Mr. David Finnie the chairman. "It is already clear," he states, "that the results for the six months to December 31, 1971, are likely to show a further significant improvement."

In the year to June 30 1971, the group re-established its forward impetus and the directors are confident that the momentum will be maintained. Referring to his management team and to the strength of the balance sheet, with its substantial investment and liquid resources, Mr. Finnie says the objective is to apply these assets in the profitable development of activities.

As reported on September 30, group pre-tax profit was £1.24m. (£1.06m.) and the dividend 20 per cent. (18 per cent.). The tax charge is down to £323,000 (£339,000) due in part to the substantial franked investment income of £642,000 (£635,000).

The large upsurge in revenue from £1.52m. to £1.85m. results mainly from the "excellent performance" of Dawnay Day's banking and money market business. Dawnay Day's pre-tax profits have increased fourfold over five years, putting on 50 per cent. last year, and now represent more than one-quarter of group profits.

Thera has been a further significant increase in banking deposits. The balanre sheet shows them up from £15.84m. to £21.99m. and sterling certificates of deposit held by Dawnay Day up from £13.10m. to £20.25m. At June 30, Dawnay Day had forward commitments to purchase CDs and other items entered into in the normal course of business amounting to £15.80m.

The principal investment trust subsidiary, Winton Trust, showed a considerable improvement, in line with market conditions, in the value of its portfolio at June 30. Market value of the IFI group's quoted investments were £11.65m. with unquoted investments at £3.27m.

Of the group's Sheffield subsidiary, Archford Investments—currently offering to acquire George Wostenholm and Son—Mr. Finnie says "plans are under consideration which, if implemented, should accelerate the recovery potential of the Archford group."

Dawnay Day Industries, formed a year ago, made a profit in spite of initial establishment costs. Besides taking over certain existing IFI interests, some new investments have been made on a selective basis.

Compass Securities, the property company in which IFI has a substantial stake, continued to make "outstanding progress." At June 30, the surplus on investment properties, based on the directors' estimates of current market values, had increased from £1.8m. to approximately £5m.

Mr. Finnie wishes to make it clear that the IFI Group has no intention of establishing itself as an industrial conglomerate. It remains policy to build up interests in the industrial field, acquisitions will only be considered where the group believes that the development of the company or companies concerned can be assisted by a direct association with its merchant banking and investment activities.

Meeting, 31, Gresham Street, E.C., November 10 at noon.

Town Centre Securities

Pre-tax profit of Leeds-based Town Centre Securities improved slightly from £210,561 to £213,367 in the year to June 30, 1971, and the dividend is raised from 7½ per cent. to 8 per cent.

The scrip issue on the 3,222,792 (3,023,479) Capital shares amounts to £29,703 against £49,328 last year.

	1970-71 £	1969-70 £
Revenue	574,972	560,408
Pre-tax profit	213,367	210,561
Tax	81,000	88,000
Net profit	132,367	122,561

Thos. French expansion

Group pre-tax profit of Thomas French and Sons, makers of narrow fabrics and metal smallwares, expanded from £132,951 to £248,164 for the year to June 30, 1971.

After tax and minority interests the net profit is £139,403, against £71,541.

The dividend is raised from 23½ to 30 per cent. with a final of 23½ per cent.

RECENT ISSUES

EQUITIES

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p	+ or −	Div. $ or Amount	Times Covered	Gross Yield	P/E Ratio
♦	P.P.	—	335	312	Anglo-Am. Ind. Op. (R1)	330	......	t32¼	‡1.5	5.6	12.5
♦	P.P.	—	310	300	Do. Do. Defd. (R1)	305	......	t32¼	‡1.5	6.0	11.6
♦	P.P.	—	220	145	Carron Co. (Hldgs)	150	......	b20	2.5	3.4	12.7
55	P.P.	19/11	57	54	Continuous Stat'y. 10p	56	......	b27¼	1.9	4.9	t0.6
50	P.P.	—	133	126	Davies & Newman	126	−5	b30	1.6	0.0	10.1
14	F.P.	—	13½	12	EmpressServ.(H'gs)10p	12½	......	bd10	1.2	6.0	t0.7
35	F.P.	—	45	42	Francis Parker 10p	45	+½	bd20	1.5	4.4	15.4
—	F.P.	29/10	99	88	Grand Met. Warrants	93	−1	—	—	—	—
—	—	28/10	90	85	McKaySecs. Cap Shares	88	......	—	—	—	—
—	—	26/1	36	27	Sime Darby Warrants	33	......	—	—	—	—
—	P.P.	—	161	140	Slater W. Secs. W'rr'nts	142	+2	—	—	—	—
00	P.P.	—	105	101	Slater W. Inv. Tst. (50p)	101½	......	b4	—	2.0	—
30	P.P.	2/11	79	60	Tigon Group	77½	+½	bd35	2.0	4.5	11.3
—	—	5/11	55	38	Tr'falg'r Hse B'W'rr'ts	52½	+½	—	—	—	—
♦	F.P.	—	83	77	Onltech 10p	78	......	±10	4.0	1.2	t9.2
37	F.P.	—	26½	24	Yule Catto (10p)	26½	......	y12¼	1.3	4.7	10.7

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price	+ or −
[illegible]	P.P.	—	125	107	Adepton new 8½% Conv. Uns. Ln. 90/95	107	......
00	£10	20/1	14½	10¹⁄₁₆	Agr. Mort. 9% Deb. 1979-82	13½	−⅜
00	£25	—	27¼	27	Allnatt London Props. 9½% Deb. Stk 96-2001	27¼	......
00	£10	26/1	12½	10¾	Birm. (City of) 8% Red. Stk. '79-81	11	−1⅛
9	£10	nil	12⅜	10½	Bristol Corp. 7¾% Red. Stk. '79-81	11	−1⅛
[illegible]	P.P.	17/9	117	88	Butterley 10% Part. Conv. 1976	117	......
9¼	nil	—	2⅛	1⅜	Cardiff Corp. 7¼% Red. Stk. 1977	1¾pm	−⅜
00	F.P.	22/10	129	106	Cavenham 10% Partly Conv. '91-6	126	−½
00	F.P.	22/10	106	101½	Do. 11% Uns. Ln. 1976	105	......
00	F.P.	29/10	129	115	Concentric 10¾% Cnv. 1998	129	+3
00	£80	—	80½	80½	Comley & Pitt 8½% 1st. Mort. Deb. '90-5	80½	......
00	£65	14/1	79	67	Distillers 10½% Uns. Ln. '93-8	78¾	−¼
00	F.P.	—	78½	78½	Dobson Pk. 8½% Deb. '87-92	78½	......
00	F.P.	4/11	110	104½	Dowty 7% Conv. Uns. '86-91	104½	−2
00	F.P.	14/10	120	104	Drakes 10½% Part. Con. Uns. 1976	120	......
00	£35	12/11	36	35	Eastbourne 10% Red. Pref. 1976	35	......
00	£25	12/11	32	29¾	Essex Water 10% Deb. 1992-4	31¾	−¼
00	F.P.	29/6	107¼	100¾	Flag Inv. 10½% Deb. Stk. '91-6	105½	......
9	£70	—	71½	71	Fulcrum 9½% Deb Stk 97-2002	71	......
00	F.P.	—	116	108	Gillett Bros. 10% Sub. Uns. '91-6	115	......
00	F.P.	29/10	104¾	100¾	Grand Met 9½% Uns. '77/79	104¾	......
00	£50	22/10	56	54¾	Do. Do. 4¾% Cum Pref.	56	......
00	£25	14/1	33¾	28½	Guinness (A.) 10% Uns. 1993-98	33½	−¼
-	F.P.	3/12	110	105	Heenan Beddow 10% Prtly Conv. Uns. Ln. 1977	106	−1
00	F.P.	—	104¾	100	Int. Bank 8% 1976	104¾	......
00	F.P.	1/12	110	100	Lewis & Peat 8% Conv. Sub. Uns. '79-81	110	+1
9	£25	24/3	29½	28½	Lewis (J.) Prop. 9½% Mort. Deb. '92-7	29½	......
00	F.P.	10/12	111½	103½	Lon. & Mid. 9½% Conv. Uns. 1988-91	109¾	+1¾
99½	£35	5/4	29¼	27¼	Morg. Cruc. 9½% Deb. '95-2000	29¼	......
-	£10	—	22½	22½	Newcastle & Gates. 10% Red. Pref. '76	22½	......
9	£30	15/12	32¾	30¾	Nottingham 8% Red. Stk. '79-80	32	−¾
100	nil	—	22	19	Prop. Inv. & Fin. 6% Conv. '91-98	9pm	−2½
00	F.P.	28/1	98	86	Sime Darby 10% Uns. Ln. 1978	96	......
00	P.P.	—	108½	101	Simonside Inv. 4½% Conv. Uns. 1976	102½	......
00	F.P.	—	114	106¼	Slater W. Inv. 8½% Part Conv. 1981	113½	......
100	nil	1/11	7½	6	Smith Enterprises 9½% Conv. '85-90	7pm	−½
00	P.P.	—	116	114	Tower Assets 10% Prly Conv. 1976	115	......
[illegible]	F.P.	14/10	101	125	Tozer Kemsley 6% Conv. 1981	129	−2
00	F.P.	5/11	108¾	101½	Trafalgar Hse. 10½% Uns. Ln. 2001-6	108¼	+½
00	£50	31/12	55½	52½	Yorks Chems. 10% Deb. 1991-6	55½	......
00	F.P.	29/10	108½	108½	York Water 10% Red. Pref. 1976	108½	......

"RIGHTS" OFFERS

Issue Price	Amount Paid Up	Latest Renunc. Date	Stock	Closing Price p***	+ or −
	nil	—	Anglo-Welsh	2pm	......
	nil	—	Do. Warrants	1pm	......
	—	—	Bonochord	2pm	......
	nil	—	Brit. Petroleum	112pm	−3
	P.P.	11/11	Chubb & Sons	114	......
	nil	13/10	Coall Warrants	17pm	......
	nil	—	Dowgate & Gen.	1½pm	......
	nil	—	East Rand Cons.	nil	......
	nil	—	Group Investors Dfd.	1pm	......
	nil	—	Group Investors Opts.	25	+1
	nil	—	Kingside Inv.	½pm	......
	F.P.	20/10	Lonrho & Lennox 'B'	94½	+½
	Nil	27/10	Malakoff Rubber	1½pm	......
	F.P.	29/10	Oil & Assoc.	60½	+½
			Vaal Reefs	16pm	......

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. k Figures based on prospectus or other official estimate for 1969-70. p*** Pence unless otherwise indicated. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ♥ Issued by way of rights. † Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ✠ Provincial quotation. ♣ Introduction. ♠ Issued to former preference holders. * Dealt in under Special Rule. $ Price at time of suspension.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Govt. action will decide future of merged Bastogi

BY OUR OWN CORRESPONDENT MILAN, Oct. 18.

THE FAILURE of the public tender offer to buy 20m. Bastogi shares does not appear to have affected the determination of the international group represented by the Westdeutsche Landesbank Girozentrale to oppose the proposed merger between Bastogi, Italpi, SES, and SGES Finanziaria. It now plans legal action against the four companies on grounds that the merger terms were unfair and discriminatory, favouring Italpi shareholders at the expense of Bastogi.

A court decision that a Prima Facie case existed on these grounds could bog the entire merger process down in legal wrangling of indefinite duration.

Meanwhile, the companies concerned have still not received any reply from the Italian Government to their application for fiscal relief on capital gains and other aspects of the proposed merger. Without this the entire operation would be prohibitively expensive.

In a recent statement, Montecatini-Edison, which controls Italpi and is expected to be a major beneficiary of the proposed merger, said a favourable decision in principal has already been taken by the authorities. However, the Socialist Party in particular is known to oppose granting these reliefs unless Bastogi's Montedison's financial and peripheral activities.

But the Montedison time-table for this is believed to be considerably slower than that demanded politically in order to avoid the concentration of power in the hands of Signor Eugenio Cefis, the head of Montedison, and to ensure some degree of political control over both Bastogi and Montedison.

togi and Montedison give a definite promise to dismantle the cross holdings whereby Montedison would control around 20 per cent. of the enlarged Bastogi, while Bastogi would control around 7 per cent. of the shares of Montedison, and be a major force on the Montedison control syndicate.

Montedison has agreed to dismantle these cross holdings through the creation of a new financial holding company called Fingest, which would gather up

The future of the enlarged Bastogi, therefore, remains shrouded in uncertainty, which could still be removed by Government action on the fiscal front and a rejection of the legal arguments put forward by merger opponents.

Helsinki to raise $15m.

BY WILLIAM LOW

THE FIRST of what is expected to be a steady flow of Eurodollar bond loans will be floated on the international capital market later this month by the City of Helsinki.

An underwriting consortium led by S. G. Warburg will offer $15m. of 15-year bonds, with an expected coupon of 8½ per cent. In view of the current strength of the Eurodollar bond market, the issue should receive a strong response although some investors are not over-enthusiastic about Finnish paper.

Because of the lack of new issues, the Eurobond market is engaged in an orgy of speculation about the identity of forthcoming borrowers. One of the strongest candidates, as mentioned in the Financial Times, is Rank Organisation.

Not all Eurobond operators, however, are confident that the market will retain its strength, especially if a large number of offerings are announced.

Goodrich buys Goodyear holding in Vredestein

BY OUR INTERNATIONAL COMPANY NEWS STAFF

SETTLEMENT has been reached over the conflicting investments of B. F. Goodrich and Goodyear in Vredestein, the Dutch tyre and rubber manufacturing company.

Under an agreement between B. F. Goodrich and Goodyear, Goodyear will sell its shares in Vredestein to Goodrich for an undisclosed amount. They stressed the fact that the settlement is subject to the fulfilment of certain conditions relating to fiscal and financial matters but indicated that no difficulty is foreseen in completing arrangements in the very near future.

The conflict began in April, 1970, when Goodyear announced a tender offer for Vredestein's shares and Goodrich countered by increasing its investment in the Dutch concern. As a result, the two U.S. companies now control most of Vredestein's capital stock, but litigation has since resulted in neither of them being able to exercise voting control over the Dutch company's affairs.

Because this state of affairs could continue for years, it was felt that it was in the best interest of all concerned to reach an agreement. A Goodyear spokesman said the settlement was a "satisfactory one."

Norsk Hydro rights issue

BY OUR OWN CORRESPONDENT OSLO, Oct. 18.

NORSK HYDRO, the industrial concern in which the Norwegian State holds a controlling interest, will increase its share capital to Kr.394m. from Kr.336m. by a rights issue at 320 per cent. of par. The issue—322,450 shares with a par value of Kr.180 each—will be offered to shareholders from December 7, 1971, to January 7, 1972. The Norwegian Government decided it would take up all its rights to the new issue—up to Kr.56m. worth—in order to maintain its controlling interest in the concern. The State to-day owns 952,296 shares or 51.03 per cent. of the concern's total share capital.

In a statement to the Press, Hydro said the new capital was needed to help finance its expansion in the field of oil and gas. Hydro has shares in the Ekofisk and Frigg oil and gas fields, in Norwegian waters, and is planning to build a Kr.600m. oil refinery at Mongstad, in West Norway, in co-operation with Norsk Braendselolje A/S, a close associate of British Petroleum. It also has plans for expansion in other areas, among them light metals and nitrogen, involving investment totalling some Kr.800m.

In a memorandum to the Government, Hydro estimates that it will need Kr.1,000m. of new capital over the next three years.

CONTINENTAL TELEPHONE CORP.

Jamaica resists CTC's magic

BY OUR JAMAICA CORRESPONDENT

THE CONTINENTAL Telephone Corporation of the U.S. is considered somewhat of a phenomenon in the telephone business. Starting with assets of $26m. and a mere 48,093 telephones in 1961, the company ended 1970 with $1,200m. and 1.6m. telephones.

The basic philosophy of CTC has been that telephone systems can be made profitable with proper management. Therefore, the company has gone along buying mostly non-profit systems and turning them into money-makers. These systems also become good clients for CTC's cable manufacturing division.

CTC's first venture into the Caribbean was in Grand Bahamas; then Barbados; and then into Jamaica. The first two have proved to be highly successful ventures with good profits. In Jamaica, however, the company has run into nothing but problems, which even after a £21m. expansion programme, will cause an estimated loss of $360,000 this year.

Jamaica has always had a bad telephone system. The previous majority shareholders, Telephone and General Trust of London, in the Jamaica Telephone Company, operated under a 40-year licence which expired in 1965-66. Because the Jamaican Government would not commit itself to a new licence until the last minute for some reason, long-term financing was impossible to get. The result was that the company was limited to what it could borrow in the short-term for expansion purposes.

There were then about 5,000 applications for telephones outstanding. At the end of 1966, a 25-year licence was granted, and in June Continental purchased 50.216 per cent. of the company's shares owned by Telephone and General Trust for an undisclosed amount, cancelled a £6½m. World Bank loan, and announced a £12½m. expansion programme to be financed by CTC and the Export Development Corporation of Canada.

In June this year, the Jamaica Telephone Company announced that it has spent £21m. installing 15,000 telephones and that there is no more money for expansion. The remaining 18,000 applicants will just have to wait.

What, then, has happened? Part of the blame must go to CTC, and part must be accepted by the Jamaican Government. CTC made two very serious errors of judgment. First, the amount which would have to be spent on replacing equipment was grossly underestimated. It costs the Company about £1,000 per telephone installation, as against the more realistic figure of £300 which they are aiming at. Secondly, the rate of expansion of the demand for telephones was greatly underestimated.

Hands tied

The Government has virtually tied the company's hand in many respects. The last rate increase was in 1958, and the company has not been able to get the Public Utilities Commission, which came into being at the same time the licence was extended, to grant a rate increase. Even if rate increases are granted, Continentel is not sure that it would be able to raise the capital required for further expansion which, at £1,000 per telephone, amounts to £18m. CTC has now said it will not put any more money into expansion, or guarantee any more loans by other investors without a Jamaican Government guarantee.

Even if loans could be found there is the question of equity. Under Jamaican regulations no person or company can hold more than 20 per cent. of a utility without the permission of the Minister of Housing and Public Utilities. In 1969, the Minister extended for five years permission for CTC to keep its 50 per cent. with the understanding that CTC would make an equity issue on the local market for Jamaicans and Jamaican residents, and underwrite it.

The equity issue was made in December, 1969, and the public took 2 per cent. and left Continental with 88 per cent. And it owns 50 per cent. of the equity, but is only able to vote 50 per cent. Therefore, CTC would have to get permission from the Minister to issue more equity capital overseas. However, the Jamaican Government seems to be wary about allowing more foreign ownership of its public utilities. In fact, the Government recently purchased 51 per cent. of the share capital of the Public Service Company from its foreign owners, and this gives the Government control of the company. Some observers are wondering whether the same thing is planned for the telephone company.

As one Jamaica Telephone Company executive put it: "The picture is very black." It looks as if the Government will have to take a decision one way or the other, and soon.

IN BRIEF

Europe

● STE SHELL FRANCAIS first-half net profit rose to Frs.29m. from Frs.19.7m. in the same period of last year.

● KLOECKNER-WERKE net profit declined more than 5 per cent. in year ended September 30 last from DM69.3m. Revenue of West German steel and heavy manufacturing company declined just about 5 per cent. from DM2,341.1m. year before.

● BANK VOOR NEDERLANDSCHE GEMEENTEN raised amount of its Fl.150m. 8½ per cent. 25-year Debenture Loan floated at par to Fl.200m. because of oversubscription.

● U.S. EXPORT-IMPORT BANK authorised credit of $3m. to B.A.T. Industrie-Germany to finance tobacco purchases in U.S. Cash payment from non-U.S. sources of $3.5m. will be made to finance balance of purchase, which will be of tobacco grown during 1971 crop year. Borrower's parent is London-based British-American Tobacco Company, and its principal subsidiary is B.A.T. Cigarette Fabriken.

● BRITISH PETROLEUM RAFFINADERIJ NEDERLAND plans to raise Fl.75m. 8 per cent. 15-year debenture loan at price to be fixed on October 22, Amsterdam-Rotterdam Bank, as one of issuing syndicate leaders, said. Lists will open and close on October 28.

● SOCIETE SUISSE POUR L'INDUSTRIE HORLOGERE, leading Swiss watch manufacturer, will take over from January next majority holding in U.S. Sheffield Watch Company. American company produces some 2m. watches per year in U.S., Switzerland, Virgin Islands, and Guam.

● A. G. BECKER has been set up in Geneva to supervise and develop business in Continental Europe of Chicago brokerage and securities firm A. G. Becker, Company, which has capital of Sw.Frs.200,000, will also act as investment and finance consultant, and will be able to hold participations in other undertakings. President is Burton J. Weiss, of Skillmann, New Jersey.

North America

● FORD MOTOR CREDIT COMPANY, unconsolidated subsidiary of Ford Motor Company, announced it filed a proposed public offering with Securities and Exchange Commission. Offering consists of $100m. of debentures due 1991, and $100m. of convertible subordinate debentures, due 1996, and convertible into Ford Motor Company stock is scheduled for early November. Goldman Sachs will lead group of underwriters.

● FIRST NATIONAL BOSTON CORP., parent holding company of First National Bank of Boston, reports consolidated net income before securities transactions of $29.735m., or $4.96 per share, for first three-quarters of 1971. This is marginally less than $29.892m. ($4.98) earned in 1970. Consolidated net income after securities transactions for first three-quarters was $34.822m. ($5.81), against $29.046m. ($4.84).

● PFIZER net earnings in third quarter rose to $23.1m. (36 cents per share) from $21.4m. (34 cents) on sales increased to $238m. ($225m.). Nine months net earnings rose to $61.4m. (96 cents) from $56.2m. (89 cents), on sales of $677m. ($632m.).

● WEEDEN, leading Third Market broker in U.S., announced record net profit for last fiscal year ended September 30 last of $5.796m., increase of 57 per cent. Sales of $8.774m. were also a record for period.

Others

● KAWASAKI STEEL CORP. decided to pay dividend of Yen 2 per share of Yen 50 par value for six months to October 31, compared with Yen 2.5 for previous term. Company said gross sales for six-month term expected to be about Yen 205,000m., compared with Yen 208,427m. in six months to April 30. After-tax profit will be about Yen 3,200m. against Yen 4,523m. in last six months. Kawasaki said decline in profit was due mainly to lower market prices for steel products.

● STANDARD TELEPHONES AND CABLES will build $(A)3.5m. factory complex in Sydney for development and manufacture of telecommunications equipment. Factory will be ready by April next year and is part of expansion plan which will involve investment of more than $6.5m. up to 1975.

● HITACHI said it enforced lay-off system to cope with slow-down in domestic and overseas demands for electricals. As first step, company recently laid-off 2,000 employees out of 2,900 at two measuring instruments plants for one day. Lay-off would spread further to its other plants which are manufacturing heavy electric machinery. Hitachi added it was also planning to transfer some employees to Nissan Motor Company, with which it has close relations in field of auto parts production.

● PIONEER CONCRETE SERVICES reported 40 per cent. rise in trading profits for year ended June 30 last. Preliminary figures show trading profit of $A4.7m., compared with $A3.4m. in 1970. Directors recommend final dividend of 8 per cent., making total for year 15 per cent. Directors also reported plans to establish concrete plants in West Germany and Portugal are well advanced, and company is looking at other European countries.

● R. W. MILLER (HOLDINGS), Australian shipping, coal and hotel group, reported net profit for year to June 30 last fell to $A948.821 from $A1.2m. Dividend cut from 12 to 8 per cent. Profit decline attributed to increased costs, decline in coal sales to Japan following Japanese steel mills' cutbacks, lower coal production, and loss of income from shipping activities as result of industrial action by unions.

International Marine Banking established

By William Low

INTERNATIONAL Marine Banking, the latest merchant bank to be formed in London, has started operations. IMB is a subsidiary of Marine Midland Bank, of New York, which has provided initial shareholder funds of $40m.

Operating from 40 Basinghall Street, IMB will concentrate on short and medium-term business, funding, mergers and joint ventures, Eurocurrency dealing, and foreign exchange. IMB will work closely with Marine Midland's London branch.

● PIONEER SUGAR MILLS raised interim dividend to 8 per cent. from 7 per cent. Increased payment in line with higher final dividend of 8 per cent. paid last year. Total for year was raised from 12 to 15 per cent.

SELECTED EURODOLLAR BOND PRICES

MID-DAY INDICATIONS

	Bid	Offer
Straight		
Atlas Copco 9½pc 1985	103	104
ASEA 8½pc 1986	97	98
Beecham 8½pc 1986	97½	98½
Borregaard 8½pc 1986	99½	100½
Conoco 8pc 1986	97	98
Conoco 8½pc 1985	104½	105½
Courtaulds 9½pc 1985	101½	102½
Denmark 9pc 1982	103½	104½
Esso 8pc 1986	100½	101½
Esso 9pc 1985	105½	107
General Mills 8pc 1986	97	98
GUS 8½pc 1986	98	99
Hambros 9½pc 1985	104½	105½
Hamersley 9½pc 1986	102½	103½
ICI 9½pc 1982	88	90
Ireland 8½pc 1980	94½	95½
ISEC 9pc 1985	103	104
Massey Ferguson 9pc 1982	101½	102½
Monsanto 8½pc 1985	101½	102½
Mt. Bk. Finland 8½pc 1986	96½	97½
Occidental 9½pc 1982	97	99
Oslo 8½pc 1986	96½	97½
Olivetti 9½pc 1985	102½	103½
Ontario Hydro 8½pc 1986	100½	101½
Phillips 6½pc 1976	95	96
Quebec Hydro 8½pc 1986	95	99
Transocean Gulf 8pc 1986	98½	99½
Notes		
Cabot 8½pc 1973	101½	102½
Ericsson 8½pc 1975	103	104
Esso 7½pc 1978	99½	100½
Esso 8½pc 1975	105	106

	Bid	Offer
Gatx Oswego 8½pc 1977	100	[illegible]
Hawker 9pc 1975	101½	[illegible]
Nippon Petr. 7½pc 1973	98½	[illegible]
Oslo 9pc 1975	103½	[illegible]
Transocean Gulf 8½pc 1975	103½	[illegible]
Source: White Weld Securities.		
Convertibles		
American Can 4¾pc 1988	79½	[illegible]
American Brands 5½pc 1986	110½	[illegible]
Amoco 5½pc 1984	99½	[illegible]
Beatrice 7½pc 1990	117½	[illegible]
Borden 6½pc 1991	107	[illegible]
Chrysler 5pc 1988	78	[illegible]
Continental Tel. 5½pc 1989	97½	[illegible]
Eastman Kodak 4½pc 1988	99	[illegible]
Equity Funding 5½pc 1989	88½	[illegible]
Firestone 5pc 1988	101	[illegible]
Ford 6pc 1986	105½	[illegible]
Fuji Photo Film 6½pc 1985	120	[illegible]
Honeywell 5pc 1983	112½	[illegible]
Kinney 6½pc 1990	110	[illegible]
Komatsu 6½pc 1984	99½	[illegible]
Michelin 6pc 1985	98	[illegible]
Murphy 5pc 1989	80	[illegible]
Owens Illinois 5pc 1977	94½	[illegible]
Pepsico 4¾pc 1981	133	[illegible]
Rand Selection 6½pc 1986	55	[illegible]
Revlon 4¾pc 1983	102	[illegible]
RCA 5pc 1989	87½	[illegible]
Texaco 4½pc 1988	83	[illegible]
20th Century Fox 5pc 1997	54	[illegible]
Union Carbide 4¾pc 1982	91½	[illegible]
Source: Kidder, Peabody Securities.		

COMPANY NEWS

Duport looking for around £3m.

PROFITS OF around £3m. are forecast by Duport for the year to January 31, 1972. First-half profits have slumped from £2.33m. to £1.52m., and the directors believe the second half will produce a comparable figure.

Present indications are that neither the Government measures to stimulate demand nor the CBI initiative to restrain prices, which Duport has supported, will have much effect on profits during the rest of the year, the directors explain.

The interim dividend is held at 5 per cent. The last accounts covered 18 months, including 13 months of Slumberland group and the total payment was 22½ per cent. from a profit of £4.86m.

Trading profits for the six months were 10 per cent. higher than those for the preceding half year in spite of depressed demand and rising costs over a wide area of its operations. They were lower than those for the corresponding six months ended July 31, 1970, to which the steel division made an exceptionally large contribution.

The steel division operated below capacity. However, the improvement to the billet mill at Llanelli and a modest increase in selling prices which became effective last April enabled the division to earn comparable profits.

	First half 1971 £000	First half 1970 £000
External sales	36,770	37,037
Steel	13,650	15,455
Engineering	12,386	11,948
Domestic	11,140	10,286
Other	289	348
Less inter divisional	933	1,000
Trading profit	*1,991	2,717
Steel	961	1,709
Engineering	652	205
Domestic	350	694
Other	28	49
Assocs. divs.	29	14
Bank. Deb. interest	254	190
Loan stock interest	245	207
Profit before tax	1,518	2,334
Taxation	617	953
Net profit	901	1,381

* After depreciation £772,000 (£711,000).

In foundries and engineering profits were increased significantly despite an early setback due to a prolonged strike at the plant of a major customer. Production plant was generally under-employed but, as more reasonable selling prices which had been negotiated for a major area of the division's operations came into effect, margins improved progressively.

The depressed demand for consumer durable products interrupted the progress of the domestic products division. Nevertheless, the division maintained and in some cases increased, its share of its markets. Conditions improved towards midsummer but too late to affect the six months' results.

In the 1970 half-year's results, Slumberland was included for seven months.

A subsidiary, Relite Electric, is being sold to Tube Investments for £900,000 cash. Relite manufactures industrial and commercial lighting fittings as well as products marketed under the Benjamin and Smithlite brand names.

The acquisition is an extension of TI's interests in industrial lighting presently represented by Simplex-Circulume. Both Relite and Simplex-Circulume will continue to operate as separate units, within the TI industrial electrical division.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims:—Abrasives International, Associated Book Publishers, Business Computers, Estates and Agency Holdings, Globe Investment Trust, Group Lotus Car, Highlands and Lowlands Para Rubber, Lilley (F. J. C.), Marshall's Universal.

Finals:—Anglo-Continental Investment and Finance, Charles (David), Galaba Ceylon Tea Estates, Gomme Holdings, Highland Distilleries, Kamunting Tin Dredging, Rediffusion Television, Trident Television.

FUTURE DATES

Interims:—

General Scottish Trust	Oct. 21
Hawker Siddeley	Oct. 22
Hanger Investments	Oct. 27
Hill (Philip)	Oct. 21
Hill Samuel	Oct. 26
Roberts Adlard	Oct. 27
Scottish Mortgage and Trust	Oct. 21
Scottish Tea and Rubber Trust	Oct. 21
Weir (Geo.)	Oct. 20

Finals:—

Anglo-American Vulcanized Fibre	Oct. 20
Birmid Qualcast	Nov. 10
Bland (John)	Oct. 21
Burgess Products	Oct. 29
Dalkeith (Ceylon) Holdings	Oct. 20
Derritron	Oct. 22
Ductile Steels	Oct. 20
Hampton Gold Mining	Oct. 21
International Securities	Oct. 29
Long and Hambly	Oct. 20
MTD (Mangula)	Nov. 11
Messina (Transvaal)	Nov. 11
New Day Holdings	Oct. 27
Ward (George)	Oct. 21

Manganese Bronze final 0.5p

A FINAL dividend of 0.5p by Manganese Bronze Holdings makes a total of 1.337p per 25p share for 19 months to July 31, 1971, on increased capital, compared with a total of 0.333p for the year 1969.

Trading against profit for the periods to July 31, 1971, is £1,215,210, against £504,803 for the periods to December 31, 1969. The profit comprises consolidated results of Norton Villiers for 24 months to July 31, 1971, and of the company and the remainder of the group for 19 months to that date. Comparative figures combine consolidated results for 19 months to July 31, 1969, of Norton Villiers and consolidated results for the year 1969 of the company and the remainder of the group.

	Periods to July 31, 1971 £	Dec. 31, 1969 £
Trading profit	1,215,210	504,803
Taxation	117,572	107,453
Interest charges	449,304	402,193
Net profit	648,334	*4,843
Exceptional losses†	886,772	776,675
Credit prior provision	947,727	‡947,727
Balance	699,289	*1,729,245
Outside interests	94,498	—
Retained	329,858	*1,894,579

*Loss. †Reorganisation losses in Norton Villiers (1969 figure included prior year losses). ‡Debit provision for losses Norton Villiers. §From reserves.

Tax of £117,572 comprises overseas tax on subsidiaries' profits and withholding taxes on income remitted from overseas subsidiaries together with a small prior year adjustment. Tax losses in Norton Villiers have been surrendered to offset profits elsewhere in the group with the result that no provision for corporation tax is needed, the directors explain.

HAY AND ROBERTSON

Manufacturers of textiles, etc., Hay and Robertson, reports a reduced loss of £5,930 for the year to May 31, 1971, compared with a £10,106 loss previously. The debit forward is £93,863 (debit £87,883).

The Board is aiming for a substantial improvement during the current year, it is stated.

METAL BOX

In the table accompanying Saturday's column "Results due next week," it was stated that interim figures were due to-day from Metal Box. The company's six-month results will in fact be announced on November 19.

TANGYES-EPCO

In order to strengthen its position in the industrial hydraulic and garage service equipment markets, Tangyes and Epco—both members of the Central Wagon Group—have merged and will now trade as Tangye-Epco.

Under the merger, the marketing organisation based at Birmingham is being restructured into three divisions—Industrial Equipment, Transport Service Equipment, and Export.

J. Farmer profit up

REFLECTING a further expansion in turnover group pre-tax profit of footwear specialists, John Farmer, increased from £104,313 to £145,792 for the half-year to July 31, 1971.

If conditions during the first half-year continue, it is expected that, in the absence of unforeseen circumstances, the pre-tax profit will exceed the £314,920 of the previous year, the directors state. It should not be assumed, however, that the first half percentage increase will be maintained, they add.

The interim dividend is stepped up from 2½ to 3 per cent. The 1970-71 total was 17½ per cent.

A new branch at Plymouth was opened in July, and further openings in 1971 are planned at Camberley (resiting) and Chelmsford.

	Half-year 1971 £	1970 £
Profit	145,792	104,313
Estimated tax	58,000	44,000
Net profit	87,792	60,313
Interim dividend	14,760	12,300
Balance	73,032	48,013

Over 8% again by Dualvest

From current estimates, the directors of Dualvest forecast total distributions for the year to March 31, 1972, again exceeding 8 per cent. on the Income shares.

The interim payment is 4.364 per cent., compared with 4.46 per cent. and a final of about 3.75 per cent., against 3.81 per cent. is expected.

Gross revenue for the half-year to September 30, 1971, amounted to £211,574, compared with £216,588 in the corresponding 1970 period, and gross distributable revenue to £196,380, against £200,700.

The value of net assets at September 30 last is shown at £10.97m., against £9.14m. at March 31, 1971, giving an asset value per £1 Capital share of 323½p, compared with 232p.

	Half-year 1971 £	1970 £
Franked invest. income	194,884	188,429
Unfranked	10,691	8,577
Bank interest	6,059	9,582
Gross revenue	211,574	216,588
Expenses	14,131	14,022
Revenue before tax	197,443	202,566
Tax	76,963	83,718
Net revenue	120,480	118,848
Tax relief avail.	75,900	81,852
Gross distributable	196,380	200,700

Staflex on way to recovery

FUSIBLE INTERLININGS manufacturer Staflex International, reports a pre-tax profit of £255,000 for the first half of 1971 which is more than double last year's comparable figure of £109,000, and exceeds the pre-tax profit of £210,500 made for all the previous year.

And the company, which omitted its interim dividend last year, is to pay 4 per cent. this time. The 1970 single payment of 5 per cent. compared with 15 per cent. for the previous year on a profit of £1,136,367.

Mr. S. E. Morgan, chairman, says "based on our trading to date and the current outlook, I confirm my previously expressed belief that our profit for the year as a whole would show a satisfactory advance towards full recovery."

The increased profit earned in the first half is in line with the expectation that considerable advance should be made in 1971.

Both the fusible interlinings and hollow divisions contributed to the improved results, and the company traded more successfully in the U.K. as well as in overseas markets. In particular sales of fusibles in the U.S. were buoyant and the joint marketing company there moved from the loss-making into the profitable stage.

It is hoped, in due course, to report increasing success from Japan and the Far East following action taken last year to strengthen marketing activities there. This is another area with "considerable" growth prospects.

In furtherance of the three-year plan Mr. B. Hansom, who joined the company last November, has relinquished the post of group managing director, to enable him to concentrate on long-term planning and development. Mr. W. P. Rao, who was appointed financial director in 1969, has become group managing director.

	Half year 1971 £000	1970 £000
Group profit	255	108
Taxation	40	38
Net profit	215	70
Minorities	1	10
Attributable	214	60

Warren Tea well ahead

Chairman of Warren Tea Holdings, Mr. W. E. Mitchell-Innes tells members it is too early to make any firm forecast for 1971. However, both crop and sales to date are well ahead of last year—the latest information will be given at the annual meeting.

So far during 1971 the group has escaped the problems that hit the industry severely in 1970—industrial troubles in Calcutta docks, followed by strikes in U.K. ports, which considerably delayed marketing.

The second flush teas have been shipped without interruption, although the movement of later teas has been seriously disrupted by the flooding which occurred over wide areas of north-east India.

As reported on September 27, group profits before tax for 1971 improved from £469,133 to £490,429 and the dividend is held at 8 per cent. Turnover was £4,053,179 (£3,757,917).

Both African subsidiaries made record profits, that of Kiboko Coffee Company being £88,322 (£40,967) and Tindarel Tea Estates, £46,465 (£29,244). The Habimara Tea Estate, Clonal estate under development in Assam, doubled its contribution to profits from £7,079 to £14,695—the year 1971 should see start of a "worthwhile"—return on this investment, members are told.

Meeting, 15, St. Helen's Place, E.C., November 10, at noon.

Feedex lifts interim: scrip issue

Pre-tax profit of Feedex, manufacturers of animal feeding stuffs, agricultural machinery, grain merchants, etc., was £93,224 for the six months to June 30, 1971, compared with £41,088 for the same period last year.

Profit this time included £30,090 from the wholly owned subsidiary John H. Taylor.

The interim dividend is stepped up by 2½ per cent. to 10 per cent. and a one-for-two scrip issue is proposed.

Previous total dividend was 21½ per cent. paid from pre-tax profit of £130,830.

Turnover in the six months rose from £948,659 to £1,768,752. After tax of £36,396 (£16,282) net profit was £56,928 against £24,806.

Derby Trust

In their report for the quarter ended September 30, 1971, the directors of Derby Trust say income experience to date indicates that the amount distributed per Income share for 1971, will exceed the 10.51 per cent. paid for 1970.

The interim dividend has already been raised from 4.89 per cent. to 4.93 per cent. Last July the directors when announcing the payment, said they were expecting at least to maintain the total.

Assets attributable to Capital shareholders at September 30, 1971, are estimated at £5,249,000 equivalent to approximately 62.5p per share. This compares with £4,637,162 and £1.82½ per share at June 30, 1971.

Macready's profit fall warning

Unless there is a substantial increase in demand during the last quarter of this year, profits of Macready's Metal Company for 1971 will show a considerable drop on the record £412,000 for 1970, says the chairman, Mr. R. Macready.

Profit, at £161,000 for the first six months, are lower than the corresponding 1970 period's £300,000, when the group was experiencing a level of high demand. The first-half charge is £63,000 (£129,000).

In his annual statement, chairman referred to the downward trend in demand for particular products in which group trades. These conditions existed in the period under review and have continued during the opening months of the current half-year, he now reports.

The group has "very actively" proceeded with the metrication of steel stocks and is opening its metric warehouse this month. It finds itself "well poised" to take full advantage of the expected results of the Chancellor's recent measures.

COMPANY NEWS IN BRIEF

E. Upton and Sons (radio, TV, cycle, furniture etc stores)—Interim 4 per cent. (same—total 12 per cent.). Turnover 28 weeks to August 10, 1971, £1,263,756 (£1,165,796). Net profit £49,017 (£45,671) after depreciation £44,433 (£32,649) and tax £39,810 (£37,450).

EASTERN AND GENERAL HOLDINGS—Interim 5 per cent. (4.1667 per cent.—total 11½ per cent.). Profit half year to June 30, 1971, £67,407 (£65,584) before tax £23,000 (£26,200) as already announced.

NIGEL GOLD MINING (controlled by United Finance Corpn. of S. Africa)—Group profit 6 months to June 30, 1971, R6,900 (loss R15,000) after interest on loans R5,100 (R8,000).

GRAND CENTRAL INVESTMENT HOLDINGS (rubber and tea)—Results for 1970 reported October 5. Group fixed assets £1,961,543 (£1,957,681), net current assets £147,256 (£146,245). Current rubber crop about 700,000 lbs down, but prices better, and considerable quantities of sole crepe sold forward at favourable prices. Tea prices too, on satisfactory basis. Meeting, 37 Queen Street, E.C., November 4, at noon.

WILLIAMSON TEA HOLDINGS—Results 1970 reported August 21. Turnover £5,169,212 (£4,491,958). Group fixed assets £4,557,570 (£4,557,591). Current assets £3,013,494 (£3,158,041), liabilities £2,459,945 (£1,977,718). Proposed to increase authorised capital by £315,475 to £2,750,000 so that shares may be offered, at short notice, for any suitable acquisitions. None foreseen in immediate future. Meeting, Plantation House, E.C., September 29, noon.

SMITH PARKINSON AND COLE (HOLDINGS)—subsidiary of A. A. H. Subsidiaries—Net revenue £57,105 (£35,367). Dividends £57,100 (£30,440). Retained £5 (£4,927). Investment valued at £377,234 (same). Current assets £62,334 (£35,619) and liabilities £53,329 (£26,619). Meeting, Bradford, November 4 at 12.15 p.m.

CANTORS (furniture etc. shops)—Results for 53 weeks to May 1, 1971, reported September 17. Fixed assets £1.53m. (£1.47m.). Net assets, £1.73m. (£1.64m.). Chairman says results for first six months of current year should show large increase in turnover and profits before adjustment in reserves for unearned profit and collection costs. Meeting, Sheffield, November 5 at 3 p.m.

MAXLIM MATERNITY FASHIONS—No interim dividend year to November 30, 1971 (no dividend paid for previous year). Profit, half year to May 31, 1971, £7,254 (£7,455) before tax £725 (£3,158). Deduct compensation for loss of office to a former director £5,000 (nil) leaving profit attributable £1,529 (£4,297).

EAST RAND CONSOLIDATED—Full details of the rights issue—forms already announced—have been posted. Board says that company is continuing to operate satisfactory and current year's profits to date are in excess of those for corresponding period previous year.

METRO DYERS AND CLEANERS (WARRINGTON)—Trading loss six months to June 30, 1971, £2,776 (£3,210). Exceptional profit £6,500 (loss £75). Figures do not take into account effects on profits of company's recent expansion into property development. They exclude the Town and Central group of development companies acquired in July, 1971, and Innerwyke Investments, acquired in August, 1971. These acquisitions are currently contributing to profits "and have excellent prospects," directors state. Meanwhile, they are considering reducing the dry cleaning interests.

STERLING CABLE COMPANY—Company's year end in future to be November 30 instead of end September and 1970-71 accounts will be made up to November 30, 1971. Change is made so that year end coincides with that of parent company A. C. Cossor.

BEN WILLIAMS AND CO. (wholesale clothing manufacturers)—Interim 5 per cent. (same—total 15 per cent.) for 1971. Pre-tax profit for six months to June 30, 1971, £36,684 (£34,647).

HALMA INVESTMENTS—Interim dividend 7½ per cent. (same—total 12½ per cent.) for 1971. Trading profit for first half £45,485 (£42,602). Pre-tax profit £34,655 (£30,252). Tax £13,800 (£13,600). Owing to generally depressed state of engineering industry, which has resulted in shrinkage of profit margins of subsidiary Fletcher Brock and Collis, directors have some doubt as to whether figures will quite reach profits for last year.

POTGIETERSRUST PLATINUMS—Rate of exchange ruling on October 18, 1971, at which payments of dividend No. 43 are to be despatched by U.K. paying agents on October 29, is 1 Rand of 100 cents equals 56.0519p U.K. currency. Gross dividend payable by the U.K. paying agents is therefore equivalent to 2.5069p per share.

MILLER AND LANG (Glasgow art publishers)—Dividend 10 per cent. (5 per cent.) for 1970-71. Net profits after tax for year to February 28, 1971, £4,421 (£1,196).

NORTH BROKEN HILL—Results for year to June 30, 1971, already known. Fixed assets $A29.44m. ($28.96m.) including mine property $14.8m. (same). Investments $99.69m. ($100.28m.). Current assets $8.44m. ($8.42m.) and liabilities $13.51m. ($13.85m.). Net assets $126.15m. ($124.85m.). Meeting, Melbourne, October 28 at noon.

LEETHEMS (IRELAND) (corset and brassiere makers)—Final dividend 7½ per cent. making 12½ per cent. (same) year to June 30, 1971. Group net profit £9,950 (£19,109) after tax £16,843 (£11,367). Dividends £5,895 (same), forward £51,311 (£30,326). Meeting, Dublin, November 4, at 11.30 a.m.

POPE AND PEARSON (brick makers, etc.)—Results, year ended July 31, 1971, reported October 6. Group fixed assets £411,681 (£427,331) and net current assets £78,672 (£75,986). Chairman says outside factors influenced year's results—Edward G. Herbert has not paid in accordance with undertaking for Richard Haighton; and tunnel kiln at Newbay proved unsatisfactory to produce high quality bricks in volume promised and roof of new kiln at Sandal has continued to give trouble. Currently claiming damages against kiln builders. Meeting, Leeds, November 9, at 3 p.m.

BIRMINGHAM MUNICIPAL BANK—Total assets at March 31, 1971, £105.5m. (£98.34m.). Depositors £99.76m. (£95.07m.). Bank proposing to join West Midland and South Wales Computer Consortium of Trustee Savings Banks.

Vehicle and General Tribunal of Inquiry

Chairman rules out misconduct

BY JOHN HUNT

ANY POSSIBILITY of misconduct by officials of the Department of Trade and Industry in their handling of the Vehicle and General Insurance Company was ruled out yesterday by Mr. Justice James, chairman of the tribunal investigating the collapse of the company.

"It is common ground that there has been no misconduct," he said. "As at present advised, we see no evidence of misconduct in the discharge of the supervisory functions by servants of the department."

He was referring to the second part of the tribunal's terms of reference which instruct it to find out whether there was negligence or misconduct by those responsible for examining the annual accounts of V & G under the Insurance Companies Acts, 1958-67.

The chairman pointed out, however, that the tribunal would still be considering whether there was negligence, either by the system as a whole or by individuals. This consideration would include the part played by the ministers concerned, the permanent secretary, the under secretary and the staff of the Insurance Division of the DTI.

The tribunal yesterday completed its hearing of evidence. It has now sat for 49 days, heard 44 witnesses and nearly 3m. words of testimony.

It adjourned until to-morrow when counsel representing the various interests involved will start making their final speeches. This is expected to last at least a week.

Counsel guided on final speeches

THE INQUIRY into the collapse of the Vehicle and General Insurance Company reached the end of its evidence yesterday.

Counsel will begin to make their final speeches on Wednesday. These are expected to take at least 10 days.

Yesterday the Tribunal's chairman, Mr. Justice James, made a statement for the guidance of counsel. He referred to the tribunal's term of reference under which they had to consider whether there had been negligence or misconduct by crown servants directly or indirectly responsible for the discharge of functions under the Insurance Companies Acts 1958-67.

Justice Sir Arthur James

No misconduct

He said it appeared to be common ground that there had been no misconduct by the Department of Trade and Industry or officials of its companies and insurance branch.

He said: "As present advised, we see no evidence of misconduct in the discharge of supervisory functions by the servants of the Department."

The question of negligence had to be considered in regard to the system and to individuals. The tribunal was conscious of the fact that many individuals must have felt during the inquiry that they were being subjected to a very critical if not hostile scrutiny.

If this is so then they are perfectly right. It has not been a pleasant exercise and it is not continuing as a pleasant exercise. It is one that is forced upon us by our terms of reference. Let it not be thought that we are approaching the problem searching primarily for points of criticisms."

Mr. Justice James added: "As we see it, it seems clear in respect of any individual that we can either praise or ignore as making a useful contribution, or criticise or condemn to the extent of finding negligence. All these views of individuals are open to us."

The Tribunal would welcome submissions as to the meaning of negligence in this context.

As to the individuals as we felt our consideration has to cover Ministers, the permanent secretary of the DTI for the time being, the under secretary and the staff serving under him in the Insurance and Companies division.

For each group the Tribunal had to consider whether an individual had a duty to make a decision; whether he had a duty to instruct subordinates and whether he had a duty to inform immediate superiors on matters of fact.

"Where we find a duty to decide, instruct, or advise we must go on to inquire whether that duty was performed; and if it was not performed or ill-performed, whether that non-performance or ill-performance constituted negligence."

They had to assess the performance at any one level in the light of instructions received from above and in the light of information received from below.

"We must assess the responsibility according to the standard the public is entitled to expect from persons holding office. A higher standard as we see it would be expected of an under-secretary than of an executive officer."

Standard

They had to consider the nature of the duties and powers imposed by relevant statutes and the nature of those powers as construed by the Department in practice. They had to assess whether there was any difference between those two and if there was whether there was any justification for that difference.

In conclusion Mr. Justice James said there were not matters on which the tribunal had made any firm conclusion.

Mr. John Arnold, QC, for the Tribunal, was invited to submit points on which the Tribunal could base their considerations. He will make his final speech later. He said that every action which was blameworthy was not necessarily negligent.

The Tribunal might think it right to adopt this as a standard—"that to be negligent, an acion must fall short of the level which should be adopted by a conscientious and competent administrator who had those skills necessary for the discharge of the relevant function."

The final judgment was whether that standard had been attained in this case. Were there any shortfalls in the application of that standard?

He did not think there had been established in evidence anything which should lead the Tribunal to consider there was negligence on the part of any individual senior to Mr. C. W. Jardine (the Under-Secretary in charge of the Insurance and Companies Division).

Failure

Mr. Arnold said there were a number of possible causes of negligence within the Department. There was a failure to procure sufficient run-off statements; there was no insistence on quarterly returns; there was never any insistence on proof that the estimated anticipated recoveries was justified by the recoveries actually made; nor was there any examination into the method of computing recoveries.

In the absence of actual experience in the Department to justify estimates and provision, one would have thought the Department might have used sources of information outside the informed opinion of the insurance industry and the opinion of experts and professional advisers.

The inquiry was adjourned until Wednesday.

Brussels Commission prepares for enlargement in Jan. 1973

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

LUXEMBOURG, Oct. 18.

THE SIX to-day decided that the members of the Brussels Commission should all resign simultaneously at the end of next year, to clear the way for the formation of a new 14-member executive when Britain and the three other candidate countries become members of the Community on January 1, 1973.

The effect of the decision, proposed by the Commission itself, will be to extend the mandates of the current president of the Commission and his three vice-presidents by six months. Their two-year term of office would normally have expired in the middle of next year.

The other five ordinary members of the Commission, on the other hand, will have their terms of office cut short. Their mandates are for four years and were not due to expire until 1974.

It is generally agreed that the next President of the Commission will be French—Germany, the Benelux and Italy have all had their turn in the presidential chair—this means the first day of British membership will almost certainly coincide with the first day in office of a French incumbent in Brussels.

Nobody yet knows who the new representatives of the various countries will be—British diplomatic sources have said the U.K. will not start thinking seriously about its nominees until next January or February, after the accession treaty has been signed.

But it is thought in community circles that the French will want to see what kind of person Britain intends to send to Brussels, in particular whether the British Commissioners are to be politicians or technocrats before deciding on their presidential nominee.

Britain and the other three big countries will each have two members of the enlarged Commission, the smaller countries one each.

Members of other community institutions, like the European Parliament and the Court of Justice, will not, however, be asked to resign on the eve of British entry. The existing members of these organisations will stay on and be joined by representatives from the four candidates as the size of the institutions is enlarged.

Meanwhile, the Ministers agreed on a declaration recognising the special problems created by Community entry for Norwegian agriculture and finalised a protocol on Irish regional development and aids to industry that is to be added to the Irish Treaty of Accession. These decisions will be communicated to the two countries concerned at Ministerial sessions of their entry negotiations here to-morrow.

No precedent

The declaration on Norway says the Community acknowledges that Norwegian farmers' incomes must not be reduced after the country joins the Community, and says that detailed proposals for a special arrangement are to follow. But it insists that this special treatment for Norway must on no account create a precedent for other member countries.

On Ireland's industrial development problems, the Six agreed that present investment incentives will ultimately have to form part of a general Community regional policy. But considerable scope will be left to the Irish to continue to operate schemes to attract foreign investment.

The Ministers made little progress in their discussion of the enlarged Community's future relationship with the non-candidate members of EFTA. And will try again to agree on the negotiating mandate at their next Council meeting on November 8. Failing this, the Ministers could return to the subject at a further meeting on November 29 and 30, which was proposed by the President of the Council, Sig. Aldo Moro, of Italy, this evening.

HOME CONTRACTS

£1¾m. building work

J. Simms Sons and Cooke have won 10 contracts together worth almost £1¾m. These include work at Nottingham University's teaching hospital and medical school, for the Sheffield regional Hospital Board, worth nearly £...,000, and more than 150 houses for the city of Leeds costing £603,000.

★

...sey Telecommunications has received orders worth over £...00 for telephone equipment for the Post Office.

★

Harrison and Co. (Leeds) is to build the amenities block and ... centre at the University of Bradford at a cost of £238,428.

★

An IBM System/370 model 145 computer system has been ordered by the Phoenix Assurance Company to replace its two existing computers. The new system, which will cost over £500,000, is scheduled for installation towards the end of next year.

★

Tilbury Contracting Group, construction division, has been awarded contracts worth over £1.25m. These include an extension to Burcott sewage disposal works for the City of Wells (£524,764), the Western Parishes sewage scheme for Yeovil RDC (£518,219), roads and sewers for Westminster Bunting (£150,183), and the sewering of Stoney Stratton including construction of pumping station and rising main (£79,601) for Shepton Mallett RDC.

★

F. J. Baynes (Aylesbury) is to install heating, hot and cold water, gas ventilation and air conditioning in the new north laboratory building at the Rothamsted Experimental Station, Herts., at a cost of £100,000.

Soviet approach to the F.O.

BY MICHAEL SIMMONS, EAST EUROPEAN CORRESPONDENT

MR. IVAN IPPOLITOV, the Soviet Chargé d'Affaires in London, called at the Foreign Office yesterday to press his country's case for an all-European Security Conference. He called at his own request, an indication that the Russians, like the British, now apparently wish the spy affair to be declared closed.

The burden of Mr. Ippolitov's message, which has recently been reiterated by Soviet representatives at various other capitals throughout the NATO Alliance, was that the four-power agreement just reached on Berlin meant that the major obstacle to the holding of such a conference had now been removed.

It is understood, however, that Sir Denis Greenhill, Permanent Under-Secretary, told him that the Western view remains that the Berlin question will not be finally settled until the current inner-German talks have been satisfactorily concluded.

Kleen-e-ze enters detergent market

BY DAVID WALKER

KLEEN-E-ZE HOLDINGS, the Bristol-based direct selling company, is entering the highly competitive washing-up liquid market in a further stage of its diversification programme.

The move, announced yesterday, forms part of plans to boost the company's annual turnover to £5m. by 1973, compared with the £2.86m. achieved in the 12 months to March 31 this year.

Its latest product goes on sale at the beginning of next month. Like all items from Kleen-e-ze, it will be available only through the company's 6,000 full- and part-time agents.

A coconut-oil-based high-concentrate product, it is to be supplied in two- and five-gallon returnable containers with special dispensers. For commercial use 45-gallon packs will also be available.

The reduction in packaging costs effected by the use of returnable containers and the absence of advertising except through the Kleen-e-ze sales force will make prices highly competitive not only with the market leaders from Procter and Gamble and Unilever but with retail chain own brands, Mr. Richard Berry, marketing director, claimed yesterday.

The news comes only a few days after the group announced plans to introduce toys as part of its range this autumn. In the past year some 15 products, including a domestic fire extinguisher, have been added to its range of home-care items.

Factory rent rise of 500% a disgrace: MP

By Our Own Correspondent

BARNSLEY, Oct. 18.

MR. ROY MASON, MP for Barnsley, called to-day for a full report from the Ministry of Defence following the announced closure of a factory on which the Government has increased the rent by 500 per cent.

Textilose (a subsidiary of Trafford Carpets, Manchester) took over the lease of the former armaments factory in Doncaster Road, Barnsley, 21 years ago at a fixed rent.

The lease expires in December this year, and although negotiations have been held with the Government's district valuer, Textilose say the 500 per cent. increase is too much for them to continue.

Mr. Mason, a Minister of State at the Defence Ministry during the last Labour Government, described the increase as a "national disgrace" when Barnsley, as an intermediate area, is trying to attract new industry.

Bronchitis study hits at local authorities

MANY MEN, crippled by chronic bronchitis, are slipping through the net of the welfare services, a study for the Chest and Heart Association claims to-day.

Some local authorities were failing in their duties, it alleges. Others were inadequately financed, staffed and trained to deal with the problem.

As a result, sufferers from the disease and their families were often living on the edge of poverty, left to face intense emotional problems with little help.

Miss M. F. Rubeck, former head medical social worker at the London Chest Hospital and now doing social and research work at the St. Thomas's group of hospitals, London, writes that no one knows the number of chronic bronchitis sufferers. The disease caused 24,613 deaths in England and Wales in 1967—18,868 of these men.

Sickness benefit claims for bronchitis, excluding illnesses lasting under three days, totalled an alarming 35m.

Miss Rubeck studied 50 patients and their families in detail to produce her report.

The Social and Emotional Effects of Chronic Bronchitis. Chest and Heart Foundation. 50p.

APPOINTMENTS

Mr. Rao takes over as Staflex chief executive

Mr. W. P. Rao has been appointed group managing director of STAFLEX INTERNATIONAL. He joined the group in 1967 and became financial director in 1969.

Mr. Bernard Hansom has relinquished the post of group managing director "to enable him to concentrate on long-term planning and development." He was appointed by Staflex as group managing director in November last year following his resignation as managing director of the shaving division of Wilkinson Sword.

See Man and Matters Page 16
Accounts Page 28

★

Mr. P. J. Aykroyd, Mr. T. Collinson and Mr. D. Cahill have been appointed directors of JOHN COTTON (JUTE).

★

Mr. Graham P. Dixon has become chairman and managing director of TELFER AND CO. and Mr. Tom Dixon, Jnr., has joined the Board. Mr. Allan S. Dixon and Mr. Tom Dixon have retired from the Board.

★

Mr. A. G. Pirie, previously sales director, has been appointed managing director of the HOUSE OF CLYDESDALE. Mr. P. R. Lloyd, the company secretary, has joined the Board. Mr. R. L. Bullimore has relinquished his position as managing director.

★

Mr. Roger M. Selman, a director of Trubenised (Sales) and of Roto-Finish, has been appointed to the Board of the parent company, TRUBENISED (GT. BRITAIN), as group finance director.

★

Mr. Gilbert H. C. Lee, a director of BOAC, has been reappointed for the period from November 7 next to December 31, 1973. This brings Mr. Lee's term of appointment into line with other members of the BOAC and BEA Boards, whose terms expire at the end of 1973.

Mr. Lee has been a member of the BOAC Board since 1961, and has been in civil aviation all his working life since first joining Imperial Airways in 1931. He has been particularly responsible for BOAC's subsidiaries and associates as chairman of BOAC Associated Companies since 1964.

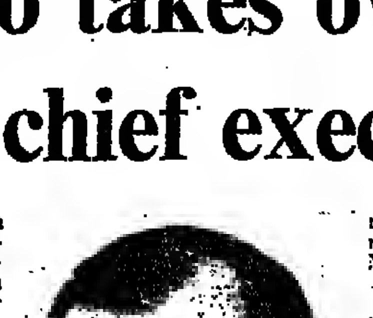
★

Mr. D. E. Seymour has been appointed assistant managing director of the ARMY AND NAVY STORES.

★

Mr. H. P. Forder is to become a director and deputy chairman of ARTHUR LEE AND SONS. The appointment is non-executive and will take effect from July 1 next year after Mr. Forder has relinquished his responsibilities as managing director, Special Steels Division of the British Steel Corporation.

Mr. P. Elden Lee, who is the present deputy chairman of Arthur Lee, wishes to give up that position but will remain on the Board.



Mr. H. P. Forder

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Mr. K. G. Knill, works director of HULLAND PRODUCTS, has been appointed technical director of the company. He will be responsible for the development of new products and processes. Hulland Products is part of the Charcon group (Charterhouse Industries).

★

Mr. Murray Hallam has been appointed deputy chairman and group managing director of VIC HALLAM and Mr. Alec Hudson becomes deputy group managing director. Both were previously joint assistant managing directors.

The changes follow the retirement from the Board for health reasons of the managing director Mr. Ted Pilkington.

★

Mr. W. R. Perrin and Mr. K. H. Spratt have been appointed to the Board of ERITH AND CO.

Mr. R. A. Howard has been appointed managing director of Wills and Packham, an Erith subsidiary. Mr. Perrin has also joined the Board of that company.

★

Mr. B. M. Bowen has been appointed underwriter and manager of GENERAL AIRCRAFT INSURANCE COMPANY (Triumph Insurance Company) from November 1.

★

Mr. F. B. Brereton has been appointed director and chief accountant of ROBINSON WILLEY (United Gas Industries). Mr. A. N. Wilkinson becomes production director.

★

The Hemdale offer for CONSTELLATION INVESTMENTS, having become unconditional, the Board of Constellation has been reconstituted as follows: Mr. John Daly, chairman; Mr. Derek J. Dawson, Mr. C. P. Choularton and Mr. D. R. Hinde.

★

Mr. Roger Doughty, managing director of the London Wall group of unit trusts, and Mr. E. D. Kohn, have been appointed directors of NORTHBOROUGH INVESTMENT TRUST.

Mr. R. D. McDougall has resigned from the Board.

S. S. STEVENSON APPOINTS AGENTS

Shipboard management specialists S. S. Stevenson and Partners, of Haslemere, Surrey, has appointed James A. MacLaren and Co. as London agents. Stevenson and Partners produces the data necessary for operating and maintaining a vessel as well as providing a management system.

DUKE TO PRESENT 800 GOLD AWARDS

The Duke of Edinburgh will present the Gold Award of his Scheme to 800 young men and women at Buckingham Palace on Tuesday, November 2.

Two new beers from Young's

By Kenneth Gooding

WITH AN EYE on the trend towards the sale of beers under brand names, Young and Company's Brewery, the Wandsworth concern with 135 outlets in London and the Home Counties, has revamped two beers, and launched them yesterday as "Ram Rod" and "Old Nick."

The first replaces Young's special light ale, but is a stronger beer, being two degrees more in gravity, and will be the company's answer to products like Double Diamond and John Courage outside its "tied" trade.

Old Nick is a potent barley wine which takes the place of—and is five degrees up on—Young's Celebration Ale.

Said chairman Mr. John Young yesterday: "Following the success of our Saxon lager, we felt that we should have more brand names to compete in the free trade. With Ram Rod and Old Nick, and our new Ram keg beer, we feel we are giving our free trade company, Foster-Probyn, very challenging products."

Transfer

Foster-Probyn's free trade and bottling activities will be transferred to the Wandsworth brewery in May or June next year at a capital cost of about £250,000. This should be covered by the sale of the Foster-Probyn site at Islington.

The move was made possible by Young's build-up of capacity at Wandsworth, adding brewing and bottling facilities, cold stores warehousing and transport arrangements at a cost of more than £500,000 over the past two years.

The group has drawn up a 15-year forward plan which Mr. Young revealed still includes a place for its horse-drawn transport. The old stables will go to make way for additional plant and warehousing, but a new "stable in the round" will be built.

Business approach to solve W. Scotland unemployment

BY OUR OWN CORRESPONDENT

GLASGOW, Oct. 18

THE CHALLENGING job of attracting new and substantial investment to the West of Scotland, where unemployment is as high as 10 per cent., is to be tackled as a business venture by an experienced executive director, Mr. William G. Beaton, 49, former head of the management division of Unilever's International group. He starts a three-year contract on November 1 at a commencing salary of £9,000.

Although the Scotland-West Promotion Group is backed to the extent of £80,000 a year by the local authorities in the area and Glasgow Chamber of Commerce, Mr. Beaton made it clear here to-day that the campaign would not be run as a local authority activity but by a hand-picked group of people knowledgeable in industry and commerce who could persuade a company to put down cash and plan successful enterprises.

Image

"I do not underestimate the difficulties of creating a new image of Scotland's West," he said. "But one of my great advantages, which I will exploit, is as a businessman knowing the language and problems of the boardroom to keep shareholders happy."

Scotland's West had many advantages including availability of a sizeable labour force, suitable sites, good amenities and communications, he said. "My first task will be to study the financial incentives available; see if they are of the right kind and if they can be rearranged."

Mr. Beaton stressed that no company or individual made an investment purely for sentimental reasons. There had to be an acceptable economic case with the prospects of a reasonable return on the investment and of making a further investment there.

Over the past two years there had been a lack of confidence in industry and commerce resulting in a marked cut back in investment and the shedding of a lot of labour "fat" caused by greater competition, escalation in costs and growth in wage rates.

The Government was in favour of real growth, and he believed that 1972 would see a change in the overall economic situation.

Scotland-West Promotion was being started at the right time, particularly in view of Britain's possible entry into the Common Market.

Marketing

"If this happens, there will be a marked increase in investment from the U.K. to Europe and vice versa," Mr. Beaton added. There would also be companies outside the EEC in various parts of the world wanting to get a foothold in the U.K.

The problem of Scotland-West was a marketing one which he was convinced could be solved by a proper understanding of the advantages that existed in the area and presented in a business-like way.

Mr. Beaton has been given a fairly free hand by the executive committee of nine under the chairmanship of Lord Provost Sir Donald Liddle, who said they were living in a much maligned area. But groups like Honeywell and the Post Office Savings Bank HQ were happy with their labour relations and appreciated the quality of life in Scotland, Sir Donald added.

Let damages match cost of living: law proposal

BY JOHN HUNT

A NEW system which would ensure that damages awarded by the courts keep pace with increases in the cost of living is proposed in the latest working paper from the Law Commission.

It suggests that Parliament should draw up a tariff stipulating the average amount of damages for a particular injury. This would replace the present method by which an award is left to the discretion of the judge.

Personal injury

In cases of personal injury, the Commission feels that the scale of awards has not kept pace with inflation.

"There is undoubtedly a considerable body of opinion which feels that the judges have drawn the scale too low and are too reluctant to increase it to take account of the fall in the real value of money," the working paper says.

An average figure for a particular injury would constitute a reasonable award for the ordinary plaintiff without any special features in the case.

"The judge would weigh the various factors in each case in order to determine whether the award should be above or below the average and by what amount," it declares.

The Commission says that a tariff is the best alternative to unguided judicial discretion. But it has come to no final conclusion in the matter, and invites comment on it.

"It is clear that it would be impossible to make a comprehensive tariff of awards for all different injuries," it states. "However it should be possible to draw up a list which would avoid excessive rigidity and yet furnish a workable guide to the courts."

The Commission comes out against setting up fact-finding tribunals whose findings on damages would be binding on courts. It is also against the creation of special damages tribunals consisting of a lawyer and a medical man.

Children

The working paper states that awards should represent a full assessment of what a child has lost financially by the death of its father.

"This will undoubtedly lead to a substantial increase in the amounts awarded to children and we consider that it is right that it should be so," it says.

The working paper, No. 41, is published to-day and is entitled Personal Injury Litigation—Assessment of Damages.

Fraud charges against former jockey

DAVID CROSSLEY-COOKE (32), former amateur steeplechase jockey, appeared at Guildhall Court, London, yesterday on charges alleging fraud and conspiracy.

He is accused of fraudulent conversion and is jointly charged, with three other men, with conspiring to make false accounts to deceive company directors.

The other accused are: Jonathan Reuvid (35), company director, John Gaze (42), investment trusts director, and Peter Deal (32), banker.

All four are charged with conspiring, being either directors or managers of Reuvid, Crossley-Cooke and Co., to contravene the Larceny Act by making false accounts with intent to deceive creditors.

Crossley-Cooke and Reuvid are charged that, being directors of Winsign Securities, they fraudulently applied two sums of £10,000 each to a use or purpose other than that of the concern. There is a further similar charge against them involving £8,700.

Crossley-Cooke and Reuvid are also accused of attempting to obtain credit of £400,000 from the Ionian Bank by false pretences, and a similar offence involving £150,000.

Crossley-Cooke alone is charged that he caused a £50,000 bank draft to be delivered to Oppenheimer, Nathan and Vandyk by false pretences with intent to defraud.

Crossley-Cooke faces four further charges alleging fraudulent application of sums totalling £26,000.

All the offences were alleged to have occurred in a two-year period between February, 1965, and March, 1967.

Committal proceedings are expected to take about eight days. Reporting restrictions are in force.

PRISONERS GET EARNINGS RISE

Earnings of all prisoners and trainees in borstals and detention centres are being increased by a standard 3p a week for most inmates from yesterday.

Previous rates varied from 1[illegible] a week in detention centres up to a maximum of 76p a week in prisons.

The increase is to cover the rise in the cost of items like confectionery and toilet articles which prisoners may buy from their earnings.

Annual Statements—Continued

WARREN TEA HOLDINGS

The Annual General Meeting of Warren Tea Holdings Limited will be held on November 10 in London.

The following is an extract from the statement of the Chairman, Mr. W. E. Mitchell-Innes:

The much improved level of profitability achieved in 1969 has been maintained, in fact in 1970 the group marginally improved upon those results. Profit before tax increased from £489,133 to £490,429, but profit after tax declined marginally from £366,433 to £358,689. This results from the fact that several Subsidiaries in India have exhausted the benefit of tax losses brought forward which they enjoyed in 1969, though others still have tax losses available to set off in future years. Our African Subsidiaries made record profits, that of Kiboko Coffee Company Limited being £88,322 (£40,862) before tax and Tinderet Tea Estates Limited £46,465 (£29,244). Hatimara Tea Estates Limited, our clonal estate under development in Assam, doubled its contribution to group profits from £7,079 to £14,695. It has now reached the stage when its contribution to profits should become more material and 1971 should see the start of a worthwhile return on our investment.

CROP RETURNS

Our Assam companies' crops fell in 1970 by 104,850 kgs. after adjusting for the sale of Mobunbaree but including Hatimara Tea Estate, whose crop was 198,060 kgs. compared with 160,915 kgs. in the previous year. In Kenya the Tinderet crop of 447,145 kgs. was a record, being an increase of 61,267 kgs. over 1969. Kiboko harvested a crop of 607 tons of coffee, also a record, against 493 tons in 1969.

It is too early to make any firm forecast for 1971. However, both crop and sales to date are well ahead of last year.

MERCEDES-BENZ REPORTS CONTINUING EXPANSION

But turnover gains offset by rising costs

"Only the strong expansion of business volume in he past three years has prevented an appreciable fall n profits" said Dr. Joachim Zahn, Chairman of the oard of Directors of Daimler-Benz A.G., at the Annual ieneral Meeting in Stuttgart recently.

With production and sales of more than 470,000 ehicles and a turnover of DM 11,700 million representng an increase of 22 per cent over the previous year, he Daimler-Benz Group has again achieved a oteworthy rise in the volume of business. Cost icreases incurred through higher material prices and abour charges alone during 1970 amounted to over M 600 million.

The following is an extract om Dr. Zahn's address:

At the present Annual eneral Meeting we report to ur shareholders on a generally ıccessful business year. In etail, we can record a producon incease for passenger cars f 9.2 per cent to 280,000 and ır commercial vehicles an inrease of 15 per cent to 196,100.

For an overall assessment, owever, the figures over a nger period provide a better icture than those of a single ar.

In the five years since 1965 ie growth amounts to about l per cent for cars and to bout 79 per cent for commercial hicles taking Daimler-Benz onc and disregarding the sociated companies. Comıred with the increase of some per cent for each category the German passenger car ıd commercial vehicle dustry, we have therefore hieved more than twice that owth rate in both sectors.

In the passenger car sector the growth is distributed relatively uniformly over the entire five year period. The main reasons for this are that we were able to continue expansion eveo during the general recession of 1967/8 and large extension projects, notably at the Sindelfingen Plant, bad already been carried out between 1964 and 1966.

In the commercial vehicle sector, however, we too were affected by the 1966/67 recession. Since the comprehensive re-organization and construction of the central assembly plant at Worth, which had been put under way in the preceding years, was completed during this period, the increase in production volume resulting from these earlier investments becamc fully effective when business revived in 1968. Additional factors were several co-operative measures, sucb as the purchase of tbe Krupp lorry sales oganisation, and, at the end of 1968, the agreement to take over Hanomag-Henscbel with a current annual production of 59,000 lorries. Thus the number of commercial vehicles produced since 1965 has almost doubled within Daimler-Benz A.G. and almost trebled within the Group.

This is a branch of industry whose manufacturing and sales environment was hitherto geared mainly to natinnal or at best, to European requirements. This massive expansion was necessary to adapt our factories to series production on a scale designed to match future international competition worldwide. The current supplementary capital spending is aimed at providing the manufacturing programme with further technical and economic support.

In recent years, market requirements have exceeded a normal rate of growth. Industry can hardl yever escape demands of this kind without endangering important positions. It is surprising how often these inter-relations, capable of putting an industrial enterprise under severe pressure, are incompletely recognised and correspondingly incorrectly presented and evaluated. It is not within a firm's free choice to relinquish wholly or temporarily a large share of a particularly exposed market, such as for example in the U.S., perhaps for reasons of economic policy at home. For our Company too, the U.S. market, taking some 10 per cent of our production, plays an important part. We are therefore, determined to maintain our position there—if necessary even at the expense of profitability, a very real possibility in consequence of revaluation—because in the long term that market forms part of the indispensable foundation of our business and thus of the employment of our factories and our personnel.

Review of the Business Year

Cost increases incurred by Daimler-Benz A.G. in 1970 through higher material prices and labour charges alone amounted to over DM 600 million. The price adjustments we had to make io consequence, but which we held to a minimum, offset only about half this additional hurden. In tbe export field, the scope to pasa on cost increases is, in any case, very small owing to the well-known currency measures Thus, the DM revaluation of October 1969 alone, and allowing for the abolition of the export tax, meant for us in the year under review, a revenue shortfall of some DM 200 million. Let it just be noted in this context that by far the greater part of this sum, i.e. about DM 120 million, was lost to governmeot and local authority tax revenue.

From all this it is evident that only the strong expansion of business volume in the past three years has prevented an appreciable fall in profits. tn other words, the unusually large rise in turnover and the related rationalisation effect of the higher production volume had to be fully utilised to absorb to some extent the uptrend in costs.

An important factor, when considering future prospects, is tbat the major part of tbe cost increases incurred in 1970 does not become fully effective until 1971, and that tbe empbasis on domestic business in 1970 together with its profit improvement was only a temporary pbase. In the long term, however, not only any possible expansion, but even the preservation of tbe current prodnction volume must predominantly be founded on export business.

An examination of the financial results of these years also reveals that—given the extraordinary upswing in cost levels—depreciations undoubtedly no longer cover the actual decline in value. On the other hand, in its endeavours to absorb rising costs, the individual industrial enterprise cannot escape the need to make investments. No doubt this connection has in the past three years like a vicious circle considerably contributed to tbe advance of cost and price levels from the capital goods sector. This does not alter tbe fact that sensible investments are of decisive importance for the purpose of consolidation, which is all the more necessary in the present situation. Herc, in turn, is an indication of the danger inherent in any officially decreed limitation of investments, and the more incomprehensible seem to be plans for an exteosion of the investment tax which is in itself already sufficiently dehatable.

Good Results in Relation to Economy

In describing as good the 1970 financial results—with a surplus of DM 246m. which almost reacbes the previous year's result of DM 248.1m., we related our evaluation, which also applies to the dividend proposal, to a comparison with the economy as a whole.

Economic Problems and Requirements

Economic problems are assuming growing weight. We are seriously concerned that the already mentioned rise in cost levels is continuing in 1971 at about thc same rate. It is to be hoped tbat the dangers to our progress inherent in the situation will be recognized and, in particular, that partners in pay negotiations will find reasonable solutions taking account of the responsibility towards individual firms as well as towards the public. A further cut in international competitiveness will inescapably put employment in serious jeopardy.

Currency—cause for concern

In tbe field of economic policy, the treatment of currency questions is giving concern. The reason for the currency measures was fundamentally tbe intention to arrest inflation. In fact, bowever, it has been shown that revaluation is not a suitable means of checking rising costs. What the advocates of revaluation have overlooked are its effects on the entire economy of West Germany and the neighbouring countries. Whereas in the past inflation in several neighbour countries has frequently offset the consequences of rising costs in Germany and thereby made a rise in prices possible, for many of our trading partners the German revaluation doubtless forced costs up. In my view it can be said that the D-mark revaluation produced for our neighbours precisely what is described as "imported inflation"—somethiog we wanted to protect ourselves against—and this inflation in neighbouring countries again affects us in return after a lapse of time.

Therefore, no problem has been solved, and on the contrary, the D-mark is in danger of being classified internationally as "a revaluation currency" with the result that soon after a revaluation, currency speculation is again attracted into the country.

For our branch of industry the repercussions manifest themselves especially in important markets where competitors are becomiog active—such as the Japanese for example—who remain outside this cost and price merry-go-round. The leading example is the U.S. market which has clearly demonstrated the corresponding repercussions on important German export products.

Every percentage point of revaluation influences the export price structure, and at Daimler-Benz A.G's current export volume of about DM 4,000 million annually, this can involve a revenue loss of the order of DM 40 million. Sixty per cent of this, or DM 24 million are lost at the expense of tax revenue. At a revaluation rate of 5 per cent the reduction in tax revenue from our Company alone would amount to about DM 100 million. In a similar fashion, the overall tax shortfall would come to several thousand millions of Deutschmarks in respect of the total of German exports—which in 1970 were worth a total of DM 125,000 million. It is difficult to follow the thioking of those obviously working for a final revaluation. Surely the immediate cause for floating the exchange rate has disappeared in tbe meantime. So it is hard to imagine how a revaluation is to be fitted into the already sufficiently strained situatioo of the public authorities. The more so, as everyone can see that the problems of maintaining employment, and with it the tax revenue potential of the economy as a whole, is clearly becoming more difficult.

Prospects for 1971

In presenting a preliminary report on the first six montbs of this year, we can say that in volume terms of production and sales, 1971 has linked up its course so far, with the development of the previous year. The turnover of Daimler-Benz A.G. rose in the first half of 1971 to DM 4,900 million from approximately DM 4,300 million in the same period of 1970. Production of passenger cars increased by 7.7 per cent. to over 148,000 units while Daimler-Benz and Hanomag-Henschel raised their output of commercial vehicles from factories at home by 4.8 per cent. to more than 88,000.

The continued uptrend is due to the considerable order book with which we entered 1971. The current level of orders will account for car production as planned until about the Spring of 1972 and in the commercial vehicle sector, for about the next three to four months. For the whole business year 1971 we anticipate a turnover expansion of about 12 to 15 per cent.

Nor do we expect an abrupt collapse in demand in the subsequent period, but the overall volume of the order flow in the motor car industry tends unmistakably downwards rather than upwards. This tendency, incidentally, is even more pronounced in other industries. Also unmistakable is the trend towards the carrying of less stock.

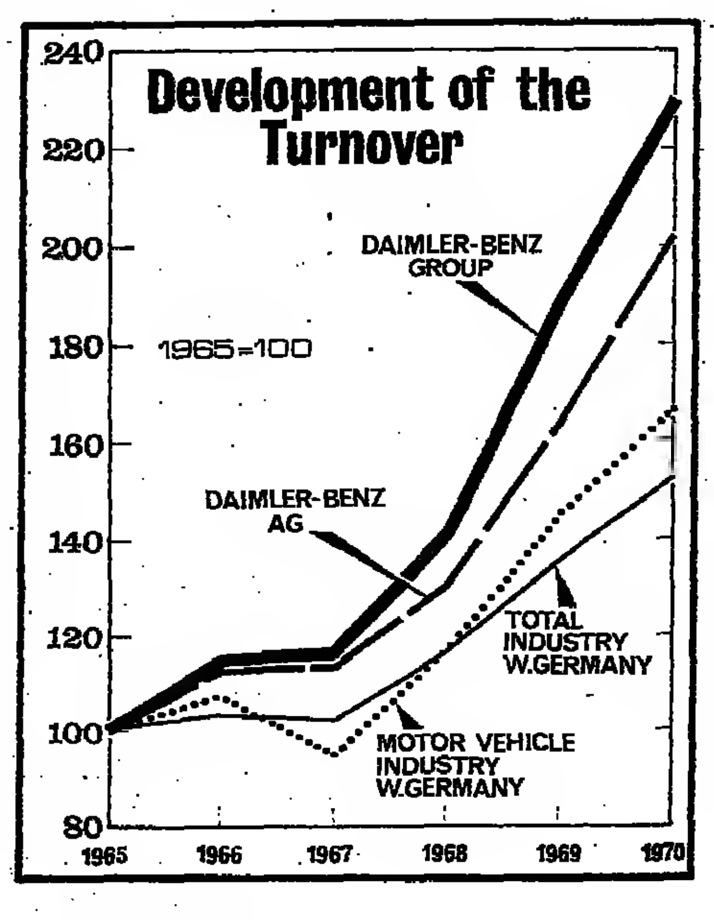
Present plans foresee overall investments totalling some DM 2,600 million for the three per period 1970 to 1972. This includes DM960m. in 1970. The figures for 1971 and 1972 will be slightly lower. By these means, commercial vehicle capacity is being adapted to a normal production level of about 200,000 units—which is already the present sales volume.

Because the development of the business climate is difficult to gauge eveo in the short term, and especially because of the trend of costs and earnings, it is hardly possible to forecast the financial results of 1971. However, we believe that we have created all the conditions necessary to enable us to face future events within the opportunities open to an individual industrial enterprise.

Aided by our competitive marketing programmes, our well-balanced sales organisation and the proven Company concept, we approach the tasks before us with confidence. Especially with confidence in the loyal support of all our personnel, although at the same time fully aware of the existing uncertainties affecting the economy as a whole. Our achievements so far, and the established capabilities of our staff, entitle us in my view to the expectation that we will be able to report generally satisfactory results for 1971.

HIGHLIGHTS FROM THE BALANCE SHEET DM.m.

1969		1970
9,590	Total Turnover	11,675
7,334	Turnover Parent Company	9,025
577	Investment in Fixed Assets	932
334	Depreciation on Fixed Assets	443
1,385	Share Capital and Reserves	1,522
3,682	Raw Materials and Services Rendered	4,594
1,847	Wages and Salaries	2,243
405	Taxes on Income, Earnings and Capital	402
248	Surplus	246
129	Dividends	141



Daimler-Benz Aktiengesellschaft Stuttgart

Massive unpaid dues debt warning to AUEW

BY OUR LABOUR REPORTER

A MASSIVE £1.5m. debt in unpaid union dues is costing the engineers' union more than £100,000 a year. With more than 1.2m. members, the average debt for each one is £1.34p.

Mr. Jim Conway, general secretary of the engineering section of the Amalgamated Union of Engineering Workers, warned members yesterday that the union could not afford such waste.

His warning was delivered at the AUEW final appeals court, being held at Bangor, N. Ireland, yesterday, as the union prepares to lead the negotiations on the engineering union's £700m. pay claim presented to the Engineering Employers' Federation this summer.

Mr. Conway said that the £1.5m. arrears inflicted a loss of £2,000 a week in interest on the union. He added that last year dispute benefit cost £500,000. In the first six months of this year it had soared to £750,000 and was expected to be £1.25m. for the full 12 months.


Jim Conway

The union expected the cost of its superannuation scheme to go up from £1m. to £1.5m. this year and the cost of all the other benefits to go up by between 50 per cent. and 100 per cent.

Mr. Conway said: "Whatever we do administratively, benefits take two-thirds of our income which comprises contributions, entrance fees and interests from investments. Applications for membership are falling as are investment interest rates."

The union has about £14m. in assets. It has calculated that it would lose about £200,000 a year of the current interest from this if it goes ahead with its policy decision not to be registered under the Industrial Relations Act.

Tax question

At the moment, the union gets tax benefits for its provident funds but these benefits are denied to unions which are not on the new register. The union is holding a special rules revision conference next month so that it can come off the register.

Mr. Conway told the delegates that since June, when the union reached a record 1.25m. membership, it was now at the lowest level since September, 1970.

He added: "It is very disturbing to note that applications for membership so far this year are down by almost 100,000, or almost 50 per cent., compared with the corresponding period last year."

Talks continue on BOAC rest period dispute

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

TALKS were still in progress late yesterday at the Department of Employment in a bid to settle the dispute, between BOAC and its pilots, which threatens to disrupt the airline's schedules this week.

The dispute, with the British Air Line Pilots' Association, is over the interpretation of regulations regarding rest periods. The pilots argue that they are entitled to take 36 hours rest, including two "local nights," within a seven-day duty period. BALPA has instructed its members to take this rest.

BOAC claims, however, that by doing so pilots will be in conflict with their service agreements with the airline. It also claims that its schedules are in line with Department of Trade and Industry guidelines and that pilots can take the 36 hours' rest at the end of the seven-day duty period.

Up to last night BOAC had not been much affected by the pilots' attitude, despite one crew which declined to fly a Boeing 707 from New York to Manchester over the week-end. Another crew, available in New York at the time, took over the aircraft and it left on schedule.

But BOAC last night indicated that another 707, due out of Sydney early this morning, was likely to be delayed by as much as nine and a half hours because the available crew had already said it would not fly the aircraft to the airline's schedule until the appropriate's rest period had been completed.

With no other crew immediately available, the airline made it clear that it would have to delay the flight.

Unless the Department of Employment can find some means of reconciling the two viewpoints, it seems that further disruptions to BOAC's schedules are likely this week.

Demand met

Clayton Dewandre of Lincoln which is working short-time because of the fall-off in orders has agreed to a union demand to defer 150 redundancies until discussions have taken place.

Engineers seek freedom of power fuel choice

THE ELECTRICITY supply industry must be free to choose its own fuel source according to its own judgment of efficiency and cost without subsidising the coal industry, the Electrical Power Engineers Association said yesterday.

If in the opinion of Government and Parliament a subsidy was needed for a fuel for social or community reasons, the cost should be borne out of national funds as recommended by the select committee on nationalised industries.

"More coal has been burnt in recent years because of Government pressure than would have been justified if the system had been operated solely on economic fuels," the EPEA stresses.

The association urges that the electricity supply industry should be allowed to make its own commercial arrangements to buy foreign coal and natural gas where necessary.

Referring to the "very limited quantity" of North Sea gas which had been taken up by the electricity supply industry (in the Midlands), the EPEA points out that it would have been better to have made the gas available at major coastal power stations.

"The resultant electricity could then have been transmitted by the grid system to all parts of the country bringing great overall advantages in terms of efficiency and utilisation."

Talks promised on women's careers in Civil Service

BY ELSBETH GANGUIN

DETAILED DISCUSSIONS between Government departments and the staff side of the Civil Service National Whitley Council were promised yesterday by Lord Jellicoe, Minister in charge of the Civil Service Department, following publication of a report on the employment of women in the service.

"The Government welcomes the report as a valuable contribution to the aim of making it easier for women to combine a Civil Service career with domestic responsibilities," it was stated. Indeed, it will also be considered how far the recommendations should apply to men in similar circumstances.

The departmental committee on whose work the report is based, was set up in April, 1970, to examine how far women might be given more part-time employment in positions of responsibility, how it could be made easier for married women to combine looking after a family with a career, and what retraining could be given to those who want to come back.

The report contains a plethora of recommendations. Men and women should be considered for any job solely on the grounds of suitability and qualifications is the first point. Next, women should qualify for either deferred pension benefits or a short service gratuity, and there should be no discrimination on the grounds of sex when it comes to Civil Service allowances.

Unpaid leave of up to three years should be available when a woman wants to accompany her husband elsewhere—and her annual paid leave should always be made to coincide with her husband's. Indeed, she should get extra unpaid or paid leave for urgent domestic affairs. Paid maternity leave should be increased to three months. In the case of unestablished staff with over five years' service, this should go up to six weeks.

Departments should seek to provide part-time posts. At least one nursery should be set up for an experimental period of four years outside London, and fees fixed in relation to salary. In some cases, unpaid leave during school holidays should be granted. Consideration should also be given where a woman has elderly or infirm dependants or relatives.

Working hours for women with family responsibilities should be made flexible. Women with children and 20 years' service should be able to take six to 12 months' unpaid leave. And applicants for reinstatement should not have to state their intention to remain permanently in the service, while women who resigned because of domestic responsibilities should not be debarred from reinstatement.

Rejection of an application for reinstatement to a specific grade should be made only at the level at which promotion to the grade concerned is confirmed. On reinstatement, previous service should be taken into account.

Progress review

Finally, the committee suggested that "there should be within two years of this report a review of progress on the operation of those of our recommendations which are accepted; the Civil Service Department should consider how progress can best be monitored in the meantime."

In January of last year, the proportion of women (permanent) in the administrative staff group was 8.8 per cent. (Executive 20.9 per cent.; clerical 49.7 per cent.) The respective proportions of temporaries were 20.8 per cent.; 55.7 per cent. and 64.7 per cent.

Within the administration group, at the beginning of this year, there were 15 female under-secretaries and above (3 per cent.) and 59 (6 per cent.) assistant secretaries. Over 50,000 (76 per cent.) were clerical assistants.

The Employment of Women in the Civil Service, SO, 30p.

Scottish Daily Express row over cartoon

JOURNALISTS on the Glasgow Evening Citizen yesterday dissociated themselves from colleagues who disrupted production of yesterday's issue of their companion paper, the Scottish Daily Express.

A total of 351,000 copies of the Express were lost because of a series of meetings at which journalists and members of the printing unions objected to the Cummings cartoon. (The cartoon depicted Soviet leader Brezhnev dressed as a Roman Catholic priest leaving an aircraft loaded with Communist supplies for Northern Ireland.)

Yesterday's statement from the Evening Citizen said they had unanimously carried a resolution at an emergency meeting stating: "We abhor censorship in any form and strongly declare our opposition to this morning's disruption over a political cartoon in the Scottish Daily Express."

Anti-EEC union moves in Midlands

By Our Midlands Correspondent

ANTI-COMMON Market opinion in the Midlands trade union movement is being mobilised by three full-time officers of white- and blue-collar unions in Birmingham.

They have asked Labour MPs Mr. Roy Jenkins (Stechford), the former Chancellor, and Mr. Roy Hattersley (Sparkbrook) to meet a deputation of senior shop stewards, city councillors and full-time union officers. They will voice their concern at their public statements favouring entry, and profess to represent a "mass view."

The three are Mr. Don Groves, divisional officer of the Association of Scientific, Technical and Managerial Staffs; Mr. Brian Mathers, Midlands region secretary of the transport workers; and Mr. Bill Warman, district secretary of the sheet metal workers and heating engineers.

Moves to end Austin-Morris strike threat

By Our Own Correspondent

OXFORD, Oct. 18.

MOVES were made to-day to avert a threatened strike at the export packing factory at Cowley which Austin-Morris wants to close.

Following the breakdown of national level talks at York on Friday, the unions decided to put a strike recommendation to a mass meeting of the 400 employees. But, at the management's request, senior shop stewards had more talks with the company to-day and no plans for a mass meeting have yet been made.

The talks ended in deadlock and the unions—which are strenuously opposing the closure plan—have now asked the company to reconsider its proposals and they are now awaiting its reply.

PUB MANAGERS' REDUNDANCY TERMS OUT

State public house managers in Carlisle were told yesterday the redundancy terms they could expect when the Carlisle and District State management scheme was sold off.

Mr. Les Moody, deputy general secretary of the Civil Service Union, which represents the managers, told a special meeting of the managers that the terms were favourable.

The scheme, which runs 170 public houses, hotels and off-licences for the Home Office, is shortly to be sold to private enterprise following denationalisation.

هكذا من الأصل

INTERIM STATEMENTS

FEEDEX LIMITED

I have pleasure in announcing the six months trading figures to the 30th June, 1971. The Profits before Taxation have increased by £52,236 as compared with the corresponding six months in 1970, which did not include any profits from the wholly-owned subsidiary John H. Taylor Limited. The profits from this subsidiary in the six months to 30th June, 1971, were £30,090.

In view of these results, your Directors have declared an interim dividend for 1971 of 10% as compared with 7½% last year. This dividend will be paid on the 10th December, 1971, to shareholders on the register at the 29th November, 1971.

It is proposed that a Bonus Issue should be made of one new share for each two shares held. As a result, in the near future it will be necessary to obtain the shareholders' approval to increase the authorised share capital from £250,000 to £300,000.

Interim Statement for half year to 30th June, 1971

The unaudited results for Feedex Limited and its subsidiaries for the first six months of 1971, compared with the corresponding six months in 1970 and the full year of 1970, are as set out below:—

	Six months to 30th June 1971	Six months to 30th June 1970	Year to 31st December 1970
Turnover	£1,768,752	£948,659	£2,356,380
Profits on trading before taxation	£93,324	£41,088	£130,830
Taxation—estimated	£36,396	£16,282	—
Taxation—provision	—	—	£54,093
Profits after taxation	£56,928	£24,806	£76,737

J. R. WILLIAMS,
Chairman.

Daisy Hill, Burstwick, HULL, HU12 9HE.
Date 18th October, 1971.

ALLIED SUPPLIERS LIMITED

INTERIM STATEMENT

The Directors report the unaudited results for the 26 weeks to 3rd July 1971, and announce an interim dividend of 5 per cent (1970 5 per cent) less income tax on the ordinary capital of the Company, payable on 15th December 1971 to shareholders registered on 15th November 1971.

	SALES 26 weeks to 3/7/71 £000's	SALES 26 weeks to 4/7/70 £000's	SALES 52 weeks to 2/1/71 £000's	PROFITS 26 weeks to 3/7/71 £000's	PROFITS 26 weeks to 4/7/70 £000's	PROFITS 52 weeks to 2/1/71 £000's
Food Retailing	108,740	100,756	208,722	2,378	2,421	4,408
Food Manufacturing	1,612	1,432	2,942	151	149	259
Overseas	30,348	26,867	57,193	1,303	1,420	2,736
Property Income				608	559	1,112
	140,700	129,055	268,857	4,440	4,549	8,515
Less: Group Expenses and Interest				764	662	1,411
Profit before Taxation				3,676	3,887	7,104
Deduct: Taxation				1,715	1,825	3,232
Net Profit				1,961	2,062	3,872
Deduct:						
Minority Interests						63
Preferential Dividend						35
Net Profit attributable to Holders of the Ordinary Capital of Allied Suppliers Ltd.						3,774

Corporation Tax has been provided at the rate of 40 per cent (1970 41.25 per cent) for the half year.

Current levels of trade would indicate a return to the profit trends achieved before the setback in the second half of 1970.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on October 18, 1971. In view of the unsettled state of the foreign exchange market, rates for some currencies are not given. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be selling rates only. In some cases market rates have been calculated from the market rates of foreign currencies to which they are tied.

Exchanges in the U.K. and most of the countries listed are officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area; (O) official rate; (F) free rate; (T) tourist rate; (n/c) non-commercial rate; (n.a.) not available; (A) approximate rate, no direct quotation available; (sg) selling rate; (i/e) import-export rate.

Place and Local Unit(s)	Value of £ Sterling
Afars & Issas Djibouti Franc	820(sg.)
Afghan'tan Afghani	210‡
Albania Lek	12(O) 30(T)
Algeria Dinar	12.21(sg)
Andorra French Franc	13.80¼
Andorra Spanish Peseta	172.12½
Angola Ang. Escudo	68.45
Antigua (S) E. Caribbean $	4.80
Argentina Ar. Peso	12.40♣
Australia (S) Australian $	2.1471½
Austria Schilling	60.29½
Azores Portug. Escudo	68.46
Bahamas (S) Ba Dollar	2.48½
Bahrain (S) Dinar	1.1445
Balearic Is. Spa. Peseta	172.12½
Barbados (S) E. Caribbean $	4.80
Belgium B. Franc	116.56
Bermuda (S) Bda. $ §§	2.4
Bhutan Indian Rupee	5.55½
Bolivia Bolivian Peso	28.46
Botswana (S) S.A. Rand	1.7764
Brazil Cruzeiro	13.66
Br. Hond's (S) Br. Hdra. $	4.0
Br. Solmo Is (S) Australian $	2.1471½
Br. Virgin Is (S) U.S. $	2.48½
♠♠Brunei (S) Brunei $	7.3788
Bulgaria Lev	2.81(O) 4.8(T)
Burma Kyat	8.75♦♦
Burundi Burundi Franc	204.49(O) 540(F)
Cambodia Riel	156.58
Cameroun Rp C.F.A. Franc	690⅛
Canada Canadian $	2.50
Canary Is. Spanish Peseta	177.21½
Cape Verde Is. Cape V. Escudo	68.45
Cent Af. Rp. C.F.A. Franc	690⅛
Ceylon (S) Ceylon Rupee	14.258♦♦
Chad C.F.A. Franc	690⅛
Chile C. Escudo	(i/e) n.a. 108.28 T§§
China Yuan	5.808
Colombia C. Peso	50.25(F)♦
Comoro Isl'ds C.F.A. Franc	690⅛
Congo (B'lle) C.F.A. Franc	690⅛
Congo (Kinsa) Zaire	1.245982
Costa Rica Colon	n.a.
Cuba Cuban Peso	2.48½
Cyprus (S) Cyprus £	1.0
Czechoslov'ia Koruna	17.28(O)† 38.745(T)
Dahomey C.F.A. Franc	690⅛
Denmark Danish Krone	18.067⅛
Dominica (S) E. Caribbean $	4.80
Domin. Rep. Dominican Peso	2.48½
Ecuador Sucre	(O) n.a. ¶¶ (60(F)
Egypt Egyptian £	n.a.
Ethiopia Ethiopian $	5.80(sg.)
Eq'l'l Guinea Peseta	177.12½
Falkland Is. (S) Falkland Is. £	1.0
Faroe Is. Danish Krone	18.067⅛
Fiji Is. (S) Fiji $	2.08¾
Finland Markka	10.525¼
Formosa New Taiwan $	n.a.
France French Franc	13.80¼
Fr. C'tyin Afr C.F.A. Franc	690⅛
Fr. Guiana Local Franc	13.80¼
Fr. Pac. Is. C.F.P. Franc	250.95
Gabon C.F.A. Franc	690⅛
Gambia (S) Dalasi Δ	5.0
Germany (East) Ostmark	10
Germany (West) Deutschemark	8.27
Ghana (S) Cedi	2.45
Gibraltar (S) Gibraltar £	1.0
Gilbert & Ellice Is. (S) Aust. Dollar	2.1471½

Place and Local Unit(s)	Value of £ Sterling
Greece Drachma	74.39
Greenland Danish Krone	18.067⅛
Grenada (S) E. Caribbean $	4.80
Guadaloupe Local Franc	13.80¼
Guam U.S. $	2.48½
Guatemala Quetzal	2.48½
Guinea Guinea Franc	n.a.
Guyana Guyanan $	4.80
Haiti Gourde	12.45½
Honduras Rep Lempira	4.99⅛
Hong Kong (S) H.K.$	14.572♥♥
Hungary Forint	28.18(O) 72(T)
Iceland (S) I. Krona	215½(A)
India (S) Ind. Rupee	5.55½
Indonesia Rupiah	1,035.1
Iran Rial	188½
Iraq Iraq Dinar	0.859
Irish Rep. (S) Irish £	1.00
Israel Israel £	10.41
Italy Lira	1,524½
Ivory Coast C.F.A. Franc	690⅛
Jamaica (S) Jamaica Dollar	2.0
Japan Yen	821
Jordan (S) Jdn. Dinar	0.857
Kenya (S) Ken Shilling	17.8192
Korea (Nth) Won	6.17
Korea (Sth) Won	923.55
Kuwait (S) Kuwait Dinar	0.85715
Laos Kip	n.a.
Lebanon Lebanese £	7.88
Lesotho (S) S. Afr. Rand	1.7764
Liberia Liberian $	2.48½
Libya (S) Libyan dinar	0.849
Liecht'st'n Swiss Franc	9.883⅛
Luxembourg Lux. Franc	116.55
Macao Pataca	n.a.
Madeira Portug'se escudo	68.45
Malagasy Rp. MG Franc	690⅛
Malawi (S) Kwacha	2.0
♠♠Malaysia (S) Malaysian $	7.3737
Maldive Is. (S) Mal. Rupee	n.a.
Mali Rp. Mali Franc	1,380¼
Malta (S) Maltese £	0.9786
Martinique Local Franc	13.80¼
Mauritania C.F.A. Franc	690⅛
Mauritius (S) Maur. Rupee	13.55
Mexico Mexican Peso	31.075
Miquelon C.F.A. Franc	690⅛
Monaco French Franc	13.80¼
Mongolia Tugrik	9.60(O) 14.40(T)
Montserrat (S) E. Caribbean	4.80
Morocco Dirham	12.44(Sg.)
Mozambique Moz. Escudo	68.10
Muscat & Oman (S) Rial Saidi	1
Nauru Is. Aust. Dollar	2.1471½
Nepal Nepalese Rupee	n.a.
Netherlands Guilder	8.55½
Neth. Ant'les Antillian Guild.	4.60
New Guinea (S) Aust. Dollar	2.1471½
New Hebrides Franc	225.07
New Hebrides Aust. Dollar	2.1471½
N. Zealand (S) N.Z. Dollar	2.1429½
Nicaragua Cordoba	17.49
Niger Rp. C.F.A. Franc	690⅛
Nigeria (S) Nigerian £	0.85712
Norway Nrwg Krone	17.05¼
Pakistan (S) Pkst. Rupee	8.62♥
Panama Balboa	2.48½
Panama Canal Zone U.S. $	2.48½
Papua (S) Aust. Dollar	2.1471½

Place and Local Unit(s)	Value of £ Sterling
Paraguay Guarani	305
People's Dem Rep. of Yemen S. Yemen Dinar	n.a.
Peru Sol	105(F)
Philippines Ph Peso	16.04
Pitcairn Is. (S) £ Sterling	—
Pitcairn Is. (S) New Zealand $	2.1429½
Poland Zloty	9.9 ΔΔ57.8(T)
Portugal Pgse Escudo	68.45††
Port Guinea Guinea Escudo	58.45
Port Timor Timor Escudo	68.45
Principe Is. Guinea Escudo	58.46
Puerto Rico U.S. $	2.48½
Qatar (S) Q. Dubai Ryal	11.445
Reunion Ile de la C.F.A. Franc	690⅛
Rhodesia Pound●●	n.a.
Romania Leu	14.4 45.2(n.c.) 43.2(T)
Rwanda Rwanda Franc	240(O) 250(F)
St. Christopher (S) E. Caribbean $	4.80
St. Helena (S) £ Sterling	—
St. Lucia (S) E. Caribbean $	4.80
St. Pierre C. F. A. Franc	690⅛
St. Vincent (S) E. Caribbean $	4.80
Salvador El. Colon	6.20
Samoa (Am) U.S. $	2.48½
San Marino Italian Lira	1,524½
Sao Tome Guinea Escudo	68.45
Saudi Arabia Ryal	11.07½
Senegal C.F.A. Franc	690⅛
Seychelles (S) S. Rupee	13.36
Sierra Leone (S) Leone	2.0
♠♠Singapo're Singapore $	7.3787
Somali Rep. Som. Shilling	17.02(sg.)
Sth. Africa (S) Rand	1.7764
S. W. Africa Territories (S) S.A. Rand	1.7764
Spain Peseta	172.12½
Span. Ports in North Africa Peseta	172.12½
Sudan Rp. Sudan £	n.a.
Surinam S. Guilder	4.60
Swaziland (S) S. A. Rand	1.7764
Sweden S. Krona	12.51¼
Switzerland Swiss Franc	9.88¾
Syria Syria £	11(F)(A)
Tanzania (S) Tan Shilling	17.70♦♦
Thailand Baht	52.17
Tibet Yuan	5.808
Tibet Indian Rupee	5.55½‡
Togo Rp. C. F. A. Franc	690⅛
Tonga Is. (S) Pa'anga	2.148
Trinidad (S) Trin & Tobago	4.80
Trucial Shk (S) $	4
Tunisia Tunisian Dinar	1.28 sg1
Turkey Turkish Lira	35.86(sg.)
Uganda (S) Ug. Shilling	17.8192
Utd. States U.S. Dollar	2.48½
Uruguay Uruguay Peso	8¼
U.S.S.R. Rouble	2.20
Upper Volta C.F.A. Franc	690⅛
Vatican Italian Lira	1,524½
Venezuela Bolivar	11.175
Vietnam (Nth) Dong	5.85(O) 15.24(T)
Vietnam (Sth) Piastre	n.a.
V'gin Is. U.S. U.S. Dollar	2.48½
Voltaic Rp. C.F.A. Franc	690⅛
Western Samoan (S) Samoan Thaler	n.a.
Yemen Ryal	n.a.
Yugoslavia New Y. Dinar	38
Zambia (S) Kwacha	1.71428*

♦ That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.
♠ Government Tax of 0.2 per cent. London note rate 1-19.
‡ Of the Trucial Sheikdoms, Abu Dhabi has adopted the Bahrain dinar. Dubai, Ras al Kaimah and Sharjah have introduced the Qatar Dubai ryal as have the other Trucial States, Ajman, Fujairah and Umm al Qawain.
♠♠ Malaysia and Singapore and Brunei on June 12, 1967, issued their own currencies, which for the time being will be freely interchangeable.
□ Rate of oil and iron ore exports not available.
♦ Rate of most transactions including exports, imports and non-trade transactions previously covered by the certificate rate: exceptions are preferential rates for oil exports and crude oil imports which are not currently available.
♣ The rate given is the commercial rate, reported to apply to Argentine exports. The financial rate, applying to other transactions was 18.57½ in the Argentine on September 30, and 16.97½ on Friday. London note rate 18-20.
* The Kwacha (equal to 100 Ngwee) was introduced on January 16, 1968. The Zambian pound remains legal tender until further notice.
♦♦ Rupees per pound. Tourists visiting Ceylon receive a premium of 55 per cent.
♥ Pounds per 100 rupee. The quotation is given in this form in line with the revised market practice. Tourists receive a 45 per cent. bonus on foreign currency surrendered to banks in Pakistan.
ΔΔ There is a special tourist rate of 40 zlotys to the dollar on exchange beyond a certain amount.
♥♥ Hong Kong dollar to £1 sterling.
§§ Bermuda has introduced a decimal currency, based on the Bda dollar, at a rate of 2.4 to the Bda pound, which remains legal tender for the time being.
●● A decimal currency, the dollar, equal to 10 Rhodesian shillings was introduced by the independent regime on February 17, 1970. The RH pound has a parity of $US2.80. The parity of the RH dollar is $US1.40.
‡ A new currency, the Rial Saidi, at gold parity with the pound, has replaced the Gulf Rupee.
¶¶ Dealings have been suspended since August 16, 1971, when the sucre was devalued from 18 to 25 to one U.S. dollar.
● Decimalised currency, based on the Kwacha (worth 10 old shillings) was introduced on February 15.
† Rate for gifts to Czechoslovakia 34.44.
Δ A decimal currency, the Dalasi (equal to 100 Bututs) has been introduced at a rate of 5 to Gambia £1.
[illegible] Rough rate, not necessarily up to date.
♦ per 100 kyats.
[illegible] Based on London inter-bank dealings. Transactions may be possible through Bank of Portugal at different rate.
[illegible] Rupees per 100 rupees.
[illegible] Tourists may change up to $10 a day at tourist rate.
[illegible] Approximate market rate. Official parity 17.1429.

BP in new oil find off Abu Dhabi

By Adrian Hamilton

THE BP-CFP Abu Dhabi Marine Areas partnership, in which British Petroleum has a two-thirds interest, has made a new discovery of oil off Abu Dhabi, according to the country's Minister of Petroleum, Mr. Sayyed Mana Oteiba.

The oilfield, to be called Nasser, is about 40 miles north of the Das Island oil terminal. Preliminary tests showed that commercial quantities of oil existed at a depth of 9,000 feet, he stated at the beginning of a meeting of the Organisation of Arab Petroleum Exporting Countries in Dubai yesterday.

Drilling is continuing, a BP spokesman said in London, and a formal statement would not be issued until the well was completed and fully tested.

BP has recently been negotiating to sell a 20 per cent. stake in its share of the company to the German national oil concern, Deminex, for a reported $160-$200m. The outcome of the talks, however, has been clouded by the producer countries' demand for State participation in producing concessions.

The partnership, in which the French company CFP has the remaining one-third interest, last year produced about 13.2m. metric tons of oil and this is expected to more than double over the next five years.

Early marriage more likely to end in divorce

THE DIVORCE rate rose and the number of children born outside marriage dropped in 1969, according to the Registrar-General's Statistical Review of England and Wales, published to-day.

The 51,000 divorce decrees made absolute in 1969 is the highest ever recorded except for 1947, when there were 60,000 divorces. The review shows that early marriages are more likely to end in divorce.

Illegitimate births fell by nearly 2,000 to 67,000 in 1969 after nearly doubling in the 12 years 1955 to 1967. And, for the first time since 1955, there was a decrease in the number of pre-maritally conceived births to women in their first marriages.

Younger

The review shows that men are continuing to marry younger and women to marry older. For men, the average marrying age is 24½ and for women, 22½.

More than 1,000 fewer children were adopted in 1969 than in 1968. The number of children adopted was 23,705 and in 39 per cent., or 9,335 cases one or both of the adopters were the natural parents of the child: 12,102 of the children were boys and 11,606 girls.

The population of England and Wales in 1969 was 48,826,000 and for the U.K. as a whole 55,534,000. Total number of births in England and Wales was 797,538 and the number of deaths 579,378.

U.K. orchestras 'facing new money crisis'

BRITAIN'S symphony orchestras could soon be facing another money crisis, the Hallé Concerts Society warned yesterday.

"The inflation of recent years seriously affects organisations like the Hallé which cannot offset their increased costs by greater productivity," the society said in its annual report.

It warned of a crisis unless "serious notice" is taken of the Peacock Report, which last year recommended a big shake-up including increased grants with emphasis on orchestras in the provinces.

The society reduced a forecast deficit of £10,000 to £3,214.

It earned £9,000 extra concert income against the previous year—but the costs of maintaining the orchestra, including administration, increased by £10,000 and promotion costs and conductors' fees by £6,000.

Williams and Glyn's leasing company

WILLIAMS & Glyn's Bank, fifth largest of the London clearing banks, is forming a subsidiary to develop its leasing business.

It will be called Williams & Glyn's Leasing Company and will be incorporated with unlimited liability.

The chairman will be Mr. John Sclater, a deputy director of Williams & Glyn's. He said: "We do not propose initially to lease equipment costing less than about £50,000."

GUIDE TO HOME LOAN CUTS

The Leicester Permanent Building Society is to issue a guide to borrowers on the options open to them as a result of the recommended cut in home loan rates. "We believe that people who have mortgages with us should have the fullest possible information," said the general manager, Mr. Basil N. Eckhard.

He confirmed that the society intends to cut its home loan rate by a ½ per cent. to a minimum of 8 per cent. In line with the recommendations of the Building Societies Association.

NURSING SERVICE WILL RECEIVE £75,000 GRANT

A grant of £75,000 to the Marie Curie Memorial Foundation was announced yesterday by Social Services Secretary, Sir Keith Joseph.

The foundation, which provides day and night nursing services for patients in the terminal phase of illness, is to get the grant over the next three years.

Electricity sales increase 4%

ELECTRICITY SALES in Britain during the three months to the end of June were 4 per cent. up on the same period last year at 46,013m. units, the Electricity Council reveals.

Within that total, sales to the industrial sector showed a 2 per cent. downturn compared with 12 months earlier, while domestic and commercial sales grew by 7.8 and 7 per cent. respectively.

In the 12 months to the end of June, each customer class showed gain compared with a year before. The overall improvement was 3.5 per cent.

BUSINESS OPPORTUNITIES ALSO APPEAR ON PAGE 14

WALL STREET + OVERSEAS MARKETS

Further small losses—off 2.41

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Oct. 18.

FURTHER SMALL LOSSES were recorded on Wall Street to-day following uninspired and cautious trading while investors still awailed Phase Two of the Nixon economic programme.

The Dow Jones Industrial Average further declined 2.41 to 872.44 and the NYSE All Common Index lost another 27 cents to $53.79, while losses led gains by 884-to-479. Trading volume fell by 2.7m. shares to 10.42m.

"Glamours" generally retreated, after holding their own for most of the day. Levitz Furniture dropped $3 to $95¼. Polaroid lost $1½ to $92¼, Digital Equipment shed $¾ to $60¼, and IBM gave way $2¼ to $306¼.

American Telephone, which lost ground last week after projecting "essentially flat" earnings, gained $¼ to $43¼.

In Chemicals, Dupont lost $⅞ to $151¼, Monsanto $⅜ to $48⅜, and Dow Chemicals $¼ to $69¼, although each reported higher earnings.

Studebaker Worthington dropped $6¾ to $45¼ on lower third quarter and 9 months earnings.

Corning Glass fell $11¼ to $196 on third quarter earnings of $4.25 ($4.26) per share.

Electronic Memories topped the active list but slipped $¾ to $6⅜—it predicted a loss for its fourth quarter from operating revenues after coming in with an improved third quarter.

Among Transportation issues reporting improved third quarter profits Flying Tiger were down $1¼ to $37¼. Overnite Transportation were unchanged at $35, Illinois Central dipped $¾ to $36½ and Santa Fe Industries gave up $1⅛ to $30⅜.

Other companies reporting profits included Avon, which lost $¼ to $92¼, Alcoa, unchanged at $46⅜, Nabisco, up $¾ to $52¼, FMC, off $⅛ to $29¼, Olin, down $⅜ to $18⅜, and Milton Bradley, off $⅜ to $43¼.

In the Drug sector, Eli Lilly dropped $6¼ to $106⅞ on lower earnings and its projection of a flat profit picture for the year. Merck fell $3 to $112¼. Pfizer slipped $⅜ to $38¼. American Cyanamid closed unchanged at $33⅜ while Bristol Myers edged up $¼ to $65¼.

Among the active issues, Massey Ferguson eased $¼ to $10¼, First National City gained $¼ to $41¼ and Boise Cascade added $¼ at $21¼.

The American SE Index shed 9 cents to $26.28 in a volume of 2.57m. (3.48m.) shares.

STP took the worst loss on the active list, dropping $11¼ at $22⅞ on sharply lower earnings.

Tesoro Petroleum gained $¼ to $36¼ but the Warrants slipped $1⅜ to $23¼—it reported an oil discovery in a "sparsely" drilled area of New Mexico.

Building issues finished on the downside. Champion Home Builders fell $2⅛ to $40 and Development Crpn. of America lost $1¼ to $27⅛.

OTHER MARKETS

Canada lower

With the exception of Utilities, which rose 0.32 on index, Canadian Stock Markets lost small ground. The Industrial Index shed 0.77, Banks 1.71, Papers 0.32, Golds 0.79, Base Metals 0.19 and Western Oils 0.83.

Robert Morse "B" gained $2 to $24½ and Victoria and Grey Trust added $1 at $31.

PARIS—Prices were well held, with the Pinay Bond recovering strongly after the Finance Minister's opposition to the proposed change in its conditions.

Schneide also firmed following the group's contract for the Bugey Nuclear Power Station. Constructions, Engineerings, Motors and Rubbers held steady. Nouvelles Galeries eased following its sales figures. In Chemicals, Rhone-Poulenc advanced but Roussel-Uclaf eased. Steels were well held, while Aquitaine rose Frs.10 in Oils.

Foreign stocks tended lower. But Belgians and Americans were mixed.

GERMANY — Markets were generally between DM2 and DM3 lower, partly influenced by the lower Dollar/Mark rate.

Leading Chemicals and Electricals lost up to DM2.50 and leading Banks were up to DM3.50 lower.

Karstadt gained DM2.50 in Stores.

In Bonds, Public issues lost up to ½ point. Foreign Mark Loans and Industrial issues were generally maintained.

BRUSSELS — Quietly steady. Cockerill, Katanga and Union Miniere each advanced, with the latter in lively trading.

Societe Generale and Hoboken were well held. American Petrofina fell back, while Canadian Petrofina were barely maintained.

Foreign stocks were narrowly irregular. Canadian Pacific regained most of Friday's loss.

AMSTERDAM — Market was mixed, with most Internationals continuing the recent downward trend on lack of stimulating news, but Royal Dutch and Hoogovens each edged higher.

Shippings and local Industrials were quietly mixed. Lucas Bols were firm. Other sectors were barely steady to weak.

State Loans were very firm.

STOCKHOLM—Generally firm.

MILAN—Mostly higher, although early gains were often pared by late selling. Bot Bastogi lost Lire 283 on the decision by the unnamed international financial group not to take up the shares deposited with them in acceptance of the tender offer. Montedison rose Lire 9, Italpi and La Centrale each also gained ground. Snia Viscosa moved up Lire 55 on the possibility of a merger with the Montedison synthetic fibre subsidiary Chatillon Spa if the Bastogi merger goes through. Fiat shed Lire 35. Insurances tended easier.

Bonds continued generally firmer.

SWITZERLAND — Irregularly lower in dull trading, following increasing signs of a slackening of the domestic economic situation.

Banks were little changed, except for Kreditanstalt which were firm.

State bonds were maintained in moderately active dealings.

Dollar stocks were irregular. Royal Dutch rose in otherwise somewhat easier Dutch Internationals. Germans eased over a broad front.

OSLO—Banks and Insurances were quiet, while Shippings were barely steady.

COPENHAGEN — Narrowly mixed in quiet trading.

VIENNA—Generally unchanged in very quiet trading.

JOHANNESBURG — Quietly lower, with a few firm spots. Golds declined on lack of local support, with London interest also lacking for selective issues. Financial Minings were quiet.

Santam were a bright spot in otherwise slightly lower Banks. Industrials had scattered losses.

TOKYO—Market was featureless in thin trading—55m. shares—with dealers reserved in view of the deteriorating political situation in Japan and also the uncertain outlook for the International currency situation.

Overseas investors continued to sell their Japanese holdings, although volume of selling was small.

Toyo Kogyo rose Yen 4 to Yen 205.

Electric Power firms were lower on limited buying. Tokyo Electric Power declined Yen 25, Tohoku Electric Power also lost Yen 25 to Yen 670, and Kansai Electric Power gave way Yen 15 to Yen 700.

AUSTRALIA — "Heavyweight" Mines finished easier. Peko-Wallsend closed at $8.84, Broken Hill North held a 2 cent gain at $1.52.

Among Nickel producers WMC were off 7 cents at $2.59 and Bougainville shed 2 cents to $2.30.

Queensland Mines came back 20 cents to $4, on the continued hearing by the Senate Select Committee on Securities and Exchange. Kathleen Investments fell 40 cents to $2.60.

Pancontinental were up 7 cents at 82 cents and AMC rose 1 cent to 16 cents. AMC has a 10 per cent. interest in East Scotia nickel claims where an intersection of 69 feet of greater than 1 per cent. nickel was reported last August.

Poseidon gave up 50 cents to $15 and Whim Creek lost 10 cents at $3.

Oils tended to ease. Woodside lost 1 cent at 90 cents and NSW Oil and Gas 2 cents at 32 cents as speculative interest in its Sailfish well, now being drilled, began to wane. Magellan dipped 5 cents to $1.75 offered.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport ‡	Indus. *	Util. Φ	Trading volume† 000's
Oct. 16	71.76	238.68	872.44	114.78	10,420
15	71.75	237.54	874.85	115.86	15,120
14	71.76	239.54	878.56	116.86	12,870
13	71.70	242.64	888.80	116.40	13,540
12	71.68	244.21	893.55	116.09	14,340
11	71.62	241.66	891.94	115.19	7,800
8	71.48	241.89	893.91	114.39	13,860
7	71.30	242.62	901.80	114.14	17,700
6	71.22	241.79	900.55	113.18	15,630
1971 High	71.98 (6/4)	248.33 (17/9)	950.82 (28/4)	128.69 (19/1)	—
Low	68.52 (4/1)	169.70 (5/1)	830.57 (4/1)	109.16 (27/9)	—

* All-time high 995.15 (9/2/66)
‡ All-time high 279.88 (7/2/69)
Φ All-time high 163.22 (20/4/65)
† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Oct. 8	Oct. 15	Oct. 11 1970
3.01	3.53	4.20

N.Y. SE ALL COMMON INDEX

Dec. 31, 1965=50.

1971 High	1971 Low	Mon.	Fri.	Thurs.	Wed.	Tues.
57.76 (28/4)	48.73 (4/1)	55.79	54.06	54.27	54.76	55.52

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,687	479	884	324

1970/71	Mon.	Fri.	Thurs.	Wed.	Tues.
New Highs	22	11	24	50	54
New Lows	56	76	62	45	33

AMERICAN SE ALL STOCKS AVERAGE

1971 High	1971 Low	Mon.	Fri.	Thurs.	Wed.	Tues.
26.69 (28/4)	22.72 (4/1)	26.28	26.37	26.43	26.62	26.69
Volume (000's)		2,560	5,460	3,740	4,150	4,230

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	† Composite
Oct. 18	107.29	97.35
15	107.77	97.79
14	108.14	98.12
13	109.15	99.03
12	109.79	99.57
11	109.37	99.16
8	109.66	99.36
1971 High	115.84 (25/4)	104.77 (25/4)
1971 Low	99.73 (4/1)	91.5 (4/1)

* 425 Utilities. † 425 Industrials, 50 Utilities and 25 Rails. (1941=10.)

STOCK AND BOND YIELDS

	Oct. 14	Oct. 7	Oct. 14 1970
Industrial div. yield pc	2.88	2.88	3.34
Price-earning ratio	17.76	17.82	15.80
Long-term Govt. Bds. yields pc	5.68	5.75	6.75

MOST ACTIVE STOCKS

	Shares traded	Closing price	Change on day
Electronic Memories	518,900	6⅜	−¾
Studebaker	349,400	45¼	−6¾
Massey Ferguson	128,200	10¼	−¼
First Nat. City	105,900	41¼	+¼
Glen Alden	97,400	10⅜	—
Brockway Glass	78,300	26⅜	+¼
Amer. Tel. and Tel.	73,100	43¼	+¼
General Motors	63,700	81¼	−⅜
Equity Lf. Inv.	61,900	31¼	−¼

TORONTO

INDUSTRIAL INDEX

Oct. 18	Oct. 15	1971 High	1971 Low
164.45	164.94	185.74 (2/1)	161.49 (14/10)

MONTREAL

INDUSTRIAL INDEX

Oct. 18	Oct. 15	1971 High	1971 Low
171.09	171.56	183.89 (20/4)	169.45 (14/10)

COMBINED INDEX

Oct. 18	Oct. 15	1971 High	1971 Low
169.90	170.51	181.05 (20/4)	167.87 (14/10)

JOHANNESBURG

	Oct. 18	Oct. 15	High	Low
Industrials	171.3	172.3	212.4 (9/4)	165.8 (13/1)
Golds	65.4	66.1	89.3 (19/4)	65.4 (15/10)

(1958=100.) Source: Rand Daily Mail.

AUSTRALIA

MELBOURNE YIELD INDICES

Av'ge yield on 50 Leading Stocks	Oct. 16	Oct. 14	Oct. 13
On Dividends	6.67	6.67	6.70
On Earnings	2.65	0.65	2.76

SYDNEY ALL ORD. INDEX

[illegible]

TOKYO

NEW SE INDEX

[illegible]

EUROPE

[illegible]

MONEY + EXCHANGES

Very large assistance

Bank Rate 5% (Sept. 2, 1971)

Conditions were again short in the Discount market yesterday and the authorities gave a very large amount of assistance. Most of this came by buying Treasury bills from the houses and banks, but also by a few bank bills and corporation bills from the houses. Factors against the market were revenue transfers to the Exchequer, which exceeded Government disbursements, and the banks were building up their balances to target levels.

A rate of 4⅞ per cent. was bid for secured day-to-day loans for the most part, with 5⅛ per cent. offered on occasions.

In the inter-bank market overnight loans commanded 5¼-6 per cent. most of the day, but 6 per cent. was touched in places in the afternoon, and closing rates were around 5¼-5½ per cent.

Oct. 18	Sterling certificates of deposit	Inter-bank	Local Authority deposits*	Local Auth. negotiable bonds	Finance house deposits	Inter-company loans	Discount market deposits	Treasury bills Φ	Bank bills Φ	Fine trade bills
Overnight	—	5¼-6	4⅞-5	—	—	5⅝-6½	4⅞-5⅛	—	—	—
2-days notice	—	—	5⅛-5⅜	—	—	5⅜-5½	—	—	—	—
†7-days or 7-days notice	—	5⅛-5⅜	5⅛-5⅜	—	6-5⅛	5⅜-6½	5-5⅛	—	—	—
One-month	[illegible]	[illegible]	5⅛	5¼-5	5⅛-5⅝	5½-5⅝	—	[illegible]	[illegible]	[illegible]
Two-months	[illegible]	[illegible]	5⅛	5¼-5	5⅛-5⅝	5⅛-5⅝	—	[illegible]	[illegible]	[illegible]
Three-months	[illegible]	[illegible]	5⅛	5¼-5⅛	5⅛-5⅝	5¾-6	—	[illegible]	[illegible]	[illegible]
Six-months	5¼-5⅛	[illegible]	5⅛-5¼	[illegible]	5¼-5⅝	6-6¼	—	—	—	—
Nine-months	5⅝-5¼	[illegible]	5¼-5⅜	[illegible]	5⅜-5¾	6-6⅜	—	—	—	—
One-year	5½-5⅜	[illegible]	5¾-5⅞	5½-5⅝	5¾-6	6¼-6½	—	—	—	—
Two-years	—	[illegible]	6¼-6⅛	5¼-5⅛	7	5	—	—	—	—

† Local authorities and finance houses seven-day notice, other seven-days fixed. * Nominal longer-term mortgage rates three-years 7-7³⁄₁₆ per cent., four-years 7¼-7⅜ per cent., and five-years 7¼-7½ per cent. Φ Bill rates in table are buying rates for prime paper. Buying rate for 4-month bank bills 4⅞ per cent., and for 4-month trade bills 5⅜ per cent. Approximate selling rate for 1-month Treasury bills 4¼ per cent., for 2-month 4¹⁵⁄₃₂ per cent., and for 3-month 4 33-64ths per cent. One and three months bank bills eligible for re-discount at the Bank of England were quoted for sale in places at 4⅜ per cent.; one to three-month trade bills at 5 per cent.

Finance House Base Rate (published by the Finance House Association) 6 per cent. from Oct. 1. Clearing banks' deposit rate (for small sums at 7-days' notice) 2½-3 per cent., and Base Rate for lending 4½-5 per cent.

Co-operative Bank Deposits: 7-day 3 per cent., 1-month 3½ per cent., base rate 5 per cent.

EXCHANGES AND BULLION

Sterling closed slightly better against the dollar in London interbank dealings at $2.4893-2.4895, compared with $2.4890-2.4893 on Friday. During the day it reached $2.4897-2.49, but business tended to be quiet and fluctuations in the rate were very small. Euro-dollar rates were steady. The 3-month pound eased to 1.14½ cents premium, the 6-month to 1.37½, and the 12-month 0.86. The dollar lost ground to most major currencies, but was a little stronger in terms of the French commercial and financial francs. Canadian dollars improved to 99.56-99.59 U.S. cents.

Gold was fixed at $42.51 (£17.075) an ounce in London in the morning and at $42.56 (£17.095) in the afternoon. The turnover was moderate and the closing quotation was $42.50-42.70, unchanged on the day. Gold coins were mostly unchanged but new sovereigns lost 2½ cents at $10.80-$10.90. In Zurich gold was unchanged at $42.50-42.65. In Paris the 12½-kilogramme gold bar was fixed at Frs.7,430 a kilogramme ($42.75 an ounce, up nine cents at the financial franc exchange rate) at noon, and at Frs.7,433 ($42.76 an ounce) in the afternoon. The one-kilogramme ingot was fixed at Frs.7,445 ($42.83 an ounce). Turnover at the Bourse meeting was Frs.2.8m. Hong Kong raised gold 16 cents to $44.18.

EXCHANGE CROSS-RATES

Oct. 18	Frankfurt	New York	Paris (c)	Brussels	London	Amsterdam	Zurich
Frankfurt	—	3.18-322	59.9-60.0	7.09-10	8.779-281	99.0-10	83.50-60
N. York	30.08-0876	—	18.035-045	2.1345-55	2.4895-4898	29.7675-7765	25.1725-1825
Paris (c)	166.67-77	5.544-545	—	11.8345-405	13.8005-61	165.15-25	138.44-54⅜
Brussels	14.07-09	46.84-86	2.44¼-45	—	116.60-70	13.74¼-6¼	11.78-79
London	8.28¾-27½	2.437⅞-44	13.50-1⅛	116.45-65	—	8.351¼-¾	9.88¼-89¼
Am'd'm	100.92-97	3.353¼-36	60.56¼-61¼	7.167⅞-173⅛	8.75⅜-36¼	—	84.45¼-50¼
Zurich	119.50-65	3.9745-65	71.85-95	8.48-49½	9.830-902	118.33-47	—

U.S. $ on Montreal 1.00⅞-⅞. Canadian $ on New York 0.9954-0.9962. (c) Commercial. Milan on New York 612.30. Milan on London 1524.02.

EURO-CURRENCY INTEREST RATES ◇

Oct. 18	Sterling	U.S. dollar	Canadian dollar	Dutch guilder	W. German mark	Swiss franc
‡Short-term	3¾-4¾	5⅛-5⅝	4½-4¾	5⅜-6¼	6⅛-7	¼-½
7-days' notice		5¼-5¾	4¾-5	5¾-6¼	6½-7	¼-½
Month	3⅞-4¼	5⅝-6⅛	5⅛-5¾	5½-5¾	6⅛-6⅜	¼-⅝
Three-months	4⅝-4⅞	6⅜-6⅞	6⅛-6⅜	5⅛-5½	5⅞-5⅞	1⅝-1⅞
Six-months	5½-6	6⅝-7⅛	6½-6¾	5⅛-5½	5⅞-5⅛	2¼-2½
One-year	6½-7½	6¾-7¼	6⅝-6⅞	5⅜-5⅞	5⅞-5⅛	3⅝-3⅞

Longer-term Eurodollar deposit rates were quoted nominally as follows: two-years 7¼-7¾ per cent., three-years 7½-7¾ per cent., four-years 7¾-8 per cent., and five-years 8-8½ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 5¹⁵⁄₁₆-5¼ per cent., three-months 6¼-6⁹⁄₁₆ per cent., six-months 6½-6¹³⁄₁₆ per cent., one-year 7-8¼ per cent.

◇ Rates are in some cases nominal.

‡ Short-term rates are call for Sterling, U.S. dollars and Canadian dollars, and two-days' notice for Guilders, Marks and Swiss francs.

FOREIGN EXCHANGES

[illegible]

OTHER MARKET RATES

[illegible]

FORWARD RATES

[illegible]

OVERSEAS SHARE INFORMATION

Investment $ Premium (based on $2.40 per £1) 20⅞% (20⅛%)

NEW YORK

[illegible]

TORONTO

[illegible]

MONTREAL

[illegible]

GERMANY

Oct. 18	Price Dm	+ or −	Div. %	Yld. %
6% Fed. Loan (1977)	91⅞	−¼	6	6.0
A.E.G. Dm.(50)	147.5	−1	18	6.4
Allianz V'rs Dm50	374	−3	12	1.6
Audi NSU (Dm50)	142	+0.5	—	—
B.M.W. (Dm50)	169	−2	19	3.6

[illegible]

AMSTERDAM

[illegible]

OSLO

[illegible]

PARIS

Oct. 18	Prices Frs.	+ or −	Div. Frs.	Yld. %
Rentes 3½pc 1952	164		3.5	2.1
Air Liquide	300	+5	16.23	2.3

[illegible]

BRUSSELS

[illegible]

SWITZERLAND

[illegible]

VIENNA

[illegible]

MILAN

Oct. 18	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	10,000	−50	—	—
ANIC	774		50	6.5

[illegible]

TOKYO

[illegible]

STOCKHOLM

[illegible]

COPENHAGEN

[illegible]

AUSTRALIA

[illegible]

JOHANNESBURG

[illegible]

STOCK EXCHANGE REPORT

Quiet markets helped by approach to Trust Houses

Share index 1.1 harder at 415.7—British Funds falter

ACCOUNT DEALING DATES

Option First Dealings	Declarations	Last Dealings	Account Day
Oct. 4	Oct. 14	Oct. 15	Oct. 26
Oct. 18	Oct. 28	Oct. 29	Nov. 9
Nov. 1	Nov. 11	Nov. 12	Nov. 23

* "New time" dealings may take place from 9.30 a.m. three business days earlier.

Stock markets were highlighted yesterday by the bid approach by Allied Breweries to Trust Houses Forte and equity leaders, slightly easier ahead of the news which came towards the official close, tended to harden. The combined market capitalisation of the two participants at last night's closing prices amounts to £477m. to make it the biggest operation of its kind for about three years. Few talking points emerged earlier and prices of the leaders moved within narrow limits and with a slight downward bias on continued lack of buying interest. Gilt-edged, firm again to begin with on the terms of the latest long "tap" issue, turned down on profit-taking by weak holders on the appearance of the £50m. GLC loan.

The Financial Times Industrial Ordinary share index, up 0.5 at 10 a.m. and 0.8 down at 1 p.m., ended with a net rise of 1.1 at 415.7 with business in the leaders rather limited. Potential buyers were again inhibited by uncertainties regarding the short-term outlook for the economy and by the fresh competition for money from the £600m. Government "tap" stock and the new GLC loan. The three main sections of the F.T.-Actuaries were modestly lower. Rises in F.T.-quoted equities outnumbered falls by 9 to 6 with firm features usually resulting from week-end Press tips, company news items and special situations. Official markings of 13,447 were the highest for about six weeks.

Gilts turn dull

Following terms of the new long "tap" stock, British Funds made a firm opening, but news of the issue of £50m. 7¾ per cent. 1981 GLC stock served to halt the market in its tracks. After showing rises of ⅛ to ¼ mediums and longs came back to close with losses ranging from ⅛ to ⅜ on balance. However, stocks in the immediate vicinity of the new long "tap" fell by around a point, with Treasury 5½ per cent., 2008-12, reacting 1⅛ to 67⅞, while irredeemables finished up to ⅜ lower. There was not a great deal of activity in shorts—where prices fluctuated throughout the day and closed with falls extending to ¼. Corporations gave ground with recently-issued stocks particularly affected by the new GLC loan; Bristol 7¾ per cent. and Birmingham 8 per cent., 1979-81, both fell 1⅛ to 11 for the £10 paid stocks.

A good day's business in investment dollars left the premium unaltered at 20½ per cent.

Eagle Star rise

Home Banks sustained fresh falls of about 6p at first, but rallied to close a little better on balance after a quiet day. Among Merchant Banks, Dalton Barton, a good market of late on a chart "buy" signal, moved ahead 17p further to 450p. Cliva gained 10p to a 1971 peak of 625p in Discounts.

Business remained quiet in Insurances and prices were inclined to lose further ground. Eagle Star were a good exception in quiet and easier Insurances, closing 8p up at 400p, after a year's peak of 497p, in anticipation of to-morrow's interim results. Minet Holdings were prominently dull in Lloyds brokers with a loss of 12p at 313p.

Breweries were inclined easier on lack of interest, but Distilleries made a brighter showing with Highland rising 4p to 172p in front of to-day's results.

Ever Ready good

Leading Building issues were quiet, but there was a fair sprinkling of small gains in second-line issues. Lawdon responded to Press comment with a rise of 6½p at 69p, while similarly, International Timber, 145p, J. Mowlem, 147p, and Fram, 16p, all improved 2p. Contracting issues were slightly easier against the general trend.

After being down to 305p, ICI picked up late to end with a net gain of 2p at 308p.

Television issues were mixed. ATV "A" lost 3p at 183p, but Trident rose that amount to 69p.

Little interest was shown in leading Electricals, but prices again showed a firmer bias with EMI notable for a rise of 4p at 164p in front of their U.S. subsidiary's (Capitol Industries) first-quarter figures, due Thursday. Plessey hardened 2p to 126p, but Philips' Lamp closed 8p lower at 490p. Elsewhere, Ever Ready provided a good market at 230p, up 18p, reflecting favourable week-end Press comment ahead of the interim results, expected on Friday. Allen West, rose 2p to 45½p and British Relay were quoted ex scrip issues at 43½p, up 3p, also on Press mention. Other firm spots included Dorman Smith "A," 144p, and Midland Electric, 88p ex dividend, with gains of around 4p apiece, and Westinghouse Brake, 7p higher at 315p. Bonochord were quoted ex "rights" at 15½p, with the new closing at 2p premium. On the dull side, Advance Electronic receded 5p to 135p.

Leading Stores were generally a shade easier. Marks and Spencer lost 10p to 287p on adverse Press comment, but Debenhams, 239p, and House of Fraser, 223p, moved against the trend with gains of 4p. In response to the increased bid from "Gussies," A. and S. Henry gained 4p to 107p; shares of United Drapery, which dropped out of the bid battle last Friday, shed 2p to 132p, while "Gussies" "A" lost 4p at 427p. Raybeck rose 3p to 103p on Press comment on the recent acquisition of Faith Bros., while Abern Services were firm at 75p xd, up 7½p. Mail Orders were dull with the exception of Freemans (London) which gained 7p to a year's peak of 203p on renewed speculative demand. Among Shoes, J. Parmer gained 7p to 120p in response to the good interim results.

Impressive showings were made by selected second-line Engineering issues. Press comment encouraged a 9p rise to 74p in Mether and Platt and, for a similar reason, London and Midland Industrials gained 5p to 99p. Helped by the new Turkish contract, Simon jumped 12p to 149p. Amari put on around 7p more to 95p, while Manganese Bronze rose 8p to 28½p ahead of the preliminary results and held that level after the news. RCF Holdings, in reply to the annual figures, moved up 7p to 81p, while Concentric advanced 5p to 55p; the latter's full results are due on November 8. Stothert and Pitt, whose figures are expected on Friday, closed 3p better at 65p, after 67p. Shipbuilders were highlighted by strength in Swan Hunter, 6p up at 43½p, following Press comment.

Trust Houses leap

Trust Houses Forte rose strongly late in the afternoon on the bid approach from Allied Breweries; a few pence firmer in front of the news at 132p, Trust Houses Forte were immediately called 137½p on it and were rushed up very quickly to 165p before ending at 155p for a net gain of 28p. There was not a lot of turnover because jobbers took the precautionary measure of widening the quotation. Allied Breweries were standing at 120p in front of the approach and slipped back to 115p after it before ending 4½p down on the day at 117p. Elsewhere, Ladbroke were good at 325p, up 13½p, after 330p.

Allied Suppliers were a firm late spot on the interim results, ending 8p up at 264p. Baxters (Butchers) were also a good feature in Foods, touching 100p before ending 12½p up on balance at 97½p in anticipation of the interim results due November 11. Ranks Hovis gained 7p to 134p, while Rowntree Mackintosh found fresh buyers at 695p, up 15p.

Fothergill and Harvey were a poor market at 75p, down 10p, on the profits warning, but Staffordshire Potteries responded to the increased dividend and profits with a rise of 9p to 192p, while Dunbee-Combex gained 5p to 110p on the interim statement. Speculative interest left Venesta 7p higher at 39½p. Following favourable Press comment, Charles Spreckley, 75p, and Gripperrods, 71p, rose 8p and 7p respectively, while rises of around 5p were seen in Consolidated Commercial, 58p, Airfix non-voting, 68½p, Barr and Wallace "A," 50p, and Bestobell, 130p. Sealed Motor were in demand and rose to 163p before closing 5p up on the day at 158p. Cussons advanced 8p to 57p, while half-yearly trading statements left Feedex 5p higher at 64p and Staflex 4p better at 68p. Helped by the chairman's statement, Gallenkamp rose 10p to 147p. Following last Friday's fall of 23p on the disappointing figures, Ralph Hilton eased 2p further to 68p.

British Leyland made fresh headway to a peak for the year of 50½p before a close of 50p, up ½p on the day, while Lotus held at 76p in front of to-day's interim results. Commercial Vehicles had a good feature in York Trailer, 7p higher at 144p, while Components to improve included Lucas, 4p better at 280p, and Britax-Excelsior, 2p harder at 56p following the Griffiths Bentley offer terms. Zenith Carburetter "A" rose 2p to 67p in response to the slightly higher first-half profits. Garages movements were often small and mixed. British Car Auction gained 4p at 88p and Martin Walter were similarly dearer at 94p ex dividend.

Alliance Property were outstandingly active and rose 8½p more to 124½p, partly as a result of newspaper comment. Aquis Securities put on 3½p at 20p and, following the results, Town Centre Securities hardened 1p to 81p. Dull features, however, included British Land, 4p down at 121½p, and Regional, which lost 10p at 325p.

Papers and kindred issues contained little of note. Brittains responded to small demand by improving 2p to 30p, but London and Provincial Poster were that much lower at 40p after the interim figures. In Publishers, Marshall Morgan added 4p at 87p.

BP New active again

British Petroleum new shares were again heavily traded, but with sellers in the majority the price eased 3p to 112p premium; the old shares closed 1p off at 618p after a relatively small business. Shell, on the other hand, extended Friday's late recovery, which followed news of the North Sea find to close 5p up at 365p, while Burmah, helped by a broker's circular, rose about 4p to 425p xd. Elsewhere, Ultramar drifted down 5p to 269p and, on London profit-taking, Anglo-Ecuadorian slipped back to 97p before rallying to end only 2p lower on balance at 100p.

Triumph Investment closed 6p higher at a 1971 peak of 219p, while Tokengate Investment gained 7p to 242p. Group Investors were quoted ex "rights" at 59p to the 25p (nil paid) Deferred shares, which closed at 1p premium, and to the Options (carrying rights to subscribe for Ordinary), which were quoted at 25p nominal. Dualvest Capital dipped 11p to 309p following the assets valuation. Lake View lost 7p to 170p. Anglo-Continental advanced afresh in Financials, ending another 4½p up at 60½p, in response to details of new equity capital injection.

Dalgety advance

Dalgety moved ahead in Pastorals to finish 11p up at 177p ex dividend, after 179p ex dividend, stimulated by favourable week-end Press comment.

After last Friday evening's 11p spurt on news of Slater Walker's purchase of a large equity stake, Tanker Investment closed 4p higher at 55p. "Lofs" improved 3p to 59p on the sale of the bulk of Tanker's holding in "Lofs" into firm hands.

After a dull morning, leading Tobaccos picked up to close with little alteration on balance. "Imps" ended ½p lower at 83½p, after 82½p.

There were a few firm spots in Textiles. Nova (Jersey) stood out with a rise of 15p at 245p, after 255p, following favourable Press comment. Textured Jersey improved 8p to 130p, while Allied Textiles found buyers at 69p, up 3p.

Pancontinental up

The feature of an otherwise quietly irregular market in Australian Mining shares was Pancontinental which spurted to 50p before closing 13p up at 48p on the possibility that the company will take in as a partner a major U.S. oil company.

Among other changes, Whim Creek reflected an Irish interest with a rise of 4p to 174p. Poseidon came back 10p to 720p while Western Mining eased slightly to 120p; the latter's annual meeting is to be held in Melbourne on Thursday.

Gold shares also eased uncertainly in generally quiet trading. Vaal Reefs were quoted in "ex-rights" form at 379p to show a net fall of 14½p; the new shares, offered at 236p, opened nil paid at a premium of 25p and ended the day at a premium of 16p.

In Financials, Lonrho were active and after falling to 81p they closed 1½p off at 84p. Anglo-Vaal (585p) and Rand Selection (460p) each lost 10p while De Beers eased 5p to 187p.

Tins were steady enough. Pehang were unchanged at 55p; the results are due on Thursday. Of the Irish explorers, Tara further responded to last week's drilling news with a rise of 10p to 635p while some interest was shown in Barymin which gained 4½p to 47p.

Elsewhere, Botswana RST fell 15p to 170p and Rio Algom came back 12p further to 640p.

FINANCIAL TIMES STOCK INDICES

—	Oct. 18	Oct. 15	Oct. 14	Oct. 13	Oct. 12	Oct. 11	A Year ago
Government Sec.	79.27	76.62	79.56	79.64	79.47	76.50	71.35
Fixed Interest	72.21	79.67	76.34	79.36	76.02	72.00	75.05
Industrial Ordinary*	415.7	414.2	412.6	416.7	416.7	416.6	363.9
Gold Mines	44.2	46.1	44.7	45.2	46.5	46.3	52.7
Ord. Div. Yield pc.	3.76	3.77	6.75	3.73	3.76	6.74	4.61
Earnings Yield pc (a)	6.79	6.80	6.77	6.74	6.79	6.76	6.40
P.E. Ratio (a)	17.26	17.24	17.62	17.42	17.27	17.33	15.63
Dealings Marked	13,447	12,772	12,804	18,204	11,483	13,002	9,629

*10 a.m. 416.1 11 a.m. 413.8 Noon 414.2 1 p.m. 413.6 2 p.m. 413.8 3 p.m. 414.3

(a) Based on 40% corp. tax from March 30, 1971. Latest Index 01-248 8026

HIGHS AND LOWS

—	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	79.64 (13/10/71)	68.83 (4/1/71)	127.4 (9/1/35)	64.21 (11/6/69)
Fixed Int.	79.37 (15/10/71)	69.63 (4/1/71)	150.0 (28/11/47)	27.12 (11/8/69)
Ind. Ord.	430.2 (7/9/71)	305.3 (3/3/71)	521.8 (19/9/68)	42.4 (28/5/40)
Gold Mines	61.3 (18/5/71)	44.7 (14/10/71)	100.9 (12/9/66)	44.9 (13/1/70)

S.E. ACTIVITY

—	Oct. 18	Oct. 15
Daily—		
Gilt-Edged	207.3	198.1
Industrials	455.3	414.9
Speculative	903.3	310.1
Totals	306.1	290.7
5-day ave.—		
Gilt-Edged	217.9	216.0
Industrials	499.3	439.3
Speculative	297.4	214.5
Totals	285.5	283.4

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942. ‡ Corrected figure.

OFFSHORE AND OVERSEAS FUNDS (p★★★)

AUTHORISED UNIT TRUSTS (p★★★)

INSURANCE, PROPERTY, BONDS

NOTES

STOCK EXCHANGE DEALINGS from the Official List for Oct. 18

Monday, October 18	13,447	Thursday, October 14	12,804	Tuesday, October 12	11,483
Friday, October 15	12,772	Wednesday, October 13	12,204	Monday, October 11	13,002

The list below gives the prices at which bargains done yesterday by members of the London Stock Exchange were recorded in the Stock Exchange Daily Official List. Members are not obliged to mark bargains except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business was done.

Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

‡ Bargains at Special prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ✢ Bargains done for delayed delivery or "no buying-in." $A—Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS, ETC. (363)

CORPN. & COUNTY—U.K. (175)

PUBLIC BOARDS, ETC.—U.K. (29)

COMMONWEALTH GOVT. AND PROVINCIAL SECURITIES (75)

COMMONWEALTH CORPN. STOCKS (3)

FOREIGN STKS., BDS., ETC. (6)

U.K. AND COMMONWEALTH RAILWAYS (9)

FOREIGN RAILWAYS (3)

BANKS & DISCOUNT COS. (394)

Smith St. Aubyn (25p) 173
Standard Chartered Bkg. Co. 308 10 7 12
Toronto Dominion Bk. ($C2) £11.900
Union Discount 4... 60 52 50
Wintrust (20p) 1170 12

BREWERIES & DISTILLS. (314)

CANALS & DOCKS (4)

COMMERCIAL, INDUST. (7,329)

A—B

British Anzani Engng. (5p) 39½⊕ 40⊕
British Canadian Inv. (25p) 215 10
British Benzol Carbonising (10p) 53½⊕ 2⊕ ½ 3 ½
British Car Auction Group (10p) 83½⊕ 6½ 7½ 8½ 6 5
British Cotton Wool Dyers Assoc. (25p) 25½⊕ 6¼ 6
British Electronic Controls (10p) 10¼⊕ ½⊕
British Enkalon (25p) 75½⊕ 5 ½ 4½ 6¼ 4
British Home Stores (25p) 254⊕ 6⊕ 2 60 3 1 4. 5½pcMt.Db. 70½. 7¼pcMt.Db.

British-American Tobacco (Reg.) (25p) 314⊕ 17 15 ½ 15½ 14 (0 14½ 16½ 12½ 13½ 13½ (3 14½ 10 17. (Bearer) (25p) 3(0½⊕ 15⊕ 14½⊕ 16
British Amer. Tobacco Invests. 10pcUns. Ln. 105¼. 10½pcUns.Ln.)1)½. 9½pc Uns.Ln. 145 7

C—D

Dreamland Electrical Appliances (10p) xd 28 ½
Drury Hldgs. (25p) 70⊕ 5
Dryad (10p) 24
Dubilier (5p) 11½⊕ ¾⊕ ½ ¼
Ductila Steels (25p) 198 6
Dunbee-Combex-Marx (10p) 105⊕ 9 11 12 10
Duplop Hldgs. (50p) 130½⊕ ½⊕ 4⊕ 3⊕ 1⊕ 3 2 ½ 4. 5¼pcPf. 65⊕ 4½. 3½pcDb. 89¼. 6¼pc2ndDb. 82. 7pc2ndDb. 84. 8pcLn. 90⊕ 69½⊕ ½

E—F

G—H

House of Lerose (25p) xd 122⊕ 20½⊕ 1 18
Hoveringham Gravels (25p) 55⊕ 7⊕. Restricted Vtg. (25p) 56⊕
Howard Wyndham A (26p) 42⊕
Howard (H. R.) Sons (20p) 60
Howard Shuttering (Hldgs.) (10p) 20
Howard Tenens Services (20p) 179
Howell (James) 6pcPf. 70
Hudson (8bt.) (25p) 76⊕
Hudson's Bay (n.p.v.) 670⊕ 54 5 3 60
Humphries Hldgs. (25p) 27

I—J—K

L—M

Musical Plastic Inds. (6p) 10¼⊕ 11½ 16¼ 11¼ 11
Myddleton Hotels Ests. (50p) 114½⊕ 16
Myson Gp. (16p) 262⊕ 5 6 7 9

N—O—P

NSS Newsagents (16p) 93 4
Nairn Williamson (Hldgs.) 115½ 16
National Carbonising (10p) 161⊕ 3 1 4

Q—R—S

T—U—V

W—Y—Z

ELEC. LIGHTING & POWER (9)

FINANCIAL TRUSTS, ETC. (330)

GAS (12)

INSURANCE (369)

INVESTMENT TRUSTS (607)

UNIT TRUSTS (3)

IRON, COAL & STEEL

MINES

Australian (45)

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses after sectional names show number of stocks.)	Monday, Oct. 18, 1971 Index No.	Day's Change %	With 40% Corporation Tax: Est. Earnings yield %	Est. Price/Earnings Ratio	Div. yield %	Friday Oct. 15 Index No.	Thurs. Oct. 14 Index No.	Wed. Oct. 13 Index No.	Tues. Oct. 12 Index No.	Year ago (approx.) Index No.	1971 High	1971 Low	Since compilation High	Since compilation Low
CAPITAL GOODS GROUP (184)	159.39	+0.1	6.92	15.89	3.76	159.28	159.94	159.65	158.01	128.94	162.00 (14/9)	103.03 (2/3)	181.50 (19/9/68)	82.82 (25/6/62)
Aircraft and Components (3)	111.98	+0.1	7.36	13.61	5.57	111.91	118.35	111.93	110.70	109.44	124.11 (7/8)	66.40 (3/3)	280.12 (23/9/68)	66.40 (3/3/71)
Building Materials (29)	166.47	−0.2	4.74	21.11	3.28	166.74	167.33	166.52	155.05	107.35	167.33 (14/10)	98.30 (2/3)	187.92 (20/9/68)	85.01 (25/6/62)
Contracting and Construction (20)	276.46	−0.4	5.05	19.78	2.28	277.50	278.08	274.40	272.91	186.15	278.08 (14/10)	182.63 (26/3)	278.08 (14/10/71)	84.39 (27/6/62)
Electrls. (ex. Electrn. Rad. & TV) (13)	278.31	−0.1	3.08	19.67	2.98	278.65	281.36	283.22	275.72	224.12	286.25 (10/9)	174.36 (2/3)	335.11 (17/9/68)	84.71 (26/6/62)
Engineering (79)	141.41	+0.5	6.75	14.51	4.43	140.77	140.99	140.79	139.42	125.53	149.28 (28/7)	102.56 (2/3)	160.85 (12/9/68)	82.90 (25/6/62)
Machine Tools (15)	64.65	+0.3	7.49	13.36	6.20	64.46	64.83	64.85	65.13	68.94	68.30 (15/6)	43.86 (5/3)	136.70 (4/7/66)	43.85 (6/3/71)
Miscellaneous (25)	134.52	+0.1	7.54	13.26	4.50	134.45	135.09	134.69	134.00	120.05	136.20 (14/9)	94.19 (2/3)	144.27 (31/1/69)	89.01 (8/11/66)
CONSUMER GOODS (DURABLE) GROUP (56)	182.06	+0.6	4.19	23.86	2.86	180.97	181.99	182.43	181.81	140.03	185.09 (23/9)	117.33 (2/3)	197.87 (15/1/69)	79.16 (25/6/62)
Electronics, Radio and TV (14)	190.56	+0.9	3.88	25.79	2.30	188.92	190.83	192.10	190.77	154.10	199.14 (23/9)	128.31 (2/3)	199.86 (19/9/68)	71.10 (6/11/66)
Household Goods (15)	207.00	−0.1	5.66	17.68	3.22	207.26	207.06	204.40	204.21	136.89	207.22 (15/10)	115.92 (2/3)	207.82 (15/10/71)	86.68 (28/6/62)
Motors and Distributors (27)	124.86	+0.5	4.13	24.22	3.43	124.24	124.51	124.72	124.77	94.07	124.86 (18/10)	78.91 (2/2)	170.58 (15/1/69)	76.92 (24/10/62)
CONSUMER GOODS (NON-DURABLE) GROUP (175)	164.57	−0.6	5.45	18.34	3.71	165.62	166.95	167.28	165.39	124.47	172.37 (14/9)	118.17 (3/4)	172.37 (14/9/71)	85.71 (8/11/66)
Breweries (21)	185.74	−1.6	5.47	18.28	3.50	187.31	190.67	190.76	189.89	151.33	205.26 (14/9)	126.30 (4/1)	205.25 (14/9/71)	80.38 (30/8/66)
Wines and Spirits (7)	164.64	−0.2	8.34	15.78	4.25	164.96	168.37	168.40	167.89	140.67	196.05 (14/7)	142.41 (4/1)	196.05 (14/7/71)	118.78 (15/6/70)
Entertainment and Catering (15)	235.57	+3.3	5.48	18.85	3.05	228.03	228.05	229.34	228.45	181.44	235.57 (18/10)	177.99 (2/3)	236.57 (13/10/71)	80.11 (23/7/62)
Food Manufacturing (24)	146.48	−0.2	5.46	16.33	3.70	146.73	147.66	147.23	147.18	111.71	140.88 (14/9)	99.74 (2/3)	171.54 (31/1/69)	65.98 (15/6/70)
Food Retailing (17)	158.78	+0.4	61.8	19.39	3.28	155.25	155.38	155.64	155.30	107.10	160.88 (23/9)	100.23 (2/3)	163.68 (7/8/68)	94.82 (27/5/70)
Newspapers and Publishing (15)	155.67	−0.1	5.86	17.71	4.58	153.73	154.37	154.30	154.54	111.16	156.25 (6/10)	101.8e (13/1)	164.86 (28/1/69)	81.74 (23/7/62)
Packaging and Paper (16)	114.14	−0.2	6.76	14.79	4.55	114.43	114.62	114.05	114.29	109.29	125.27 (1/9)	88.81 (2/3)	134.63 (2/1/69)	87.91 (25/6/62)
Stores (30)	156.73	−1.4	4.68	22.98	3.03	158.94	159.70	160.39	156.16	108.42	164.86 (24/9)	104.48 (2/3)	164.86 (24/9/71)	72.74 (8/11/66)
Textiles (21)	174.57	−0.1	5.62	17.78	5.18	174.82	176.60	176.69	175.05	149.26	183.27 (7/9)	137.81 (2/3)	253.72 (17/8/68)	80.90 (20/7/62)
Tobacco (3)	221.17	−1.4	9.87	10.13	5.97	224.31	226.54	229.38	228.17	193.05	254.47 (27/7)	170.92 (20/1)	305.02 (30/1/69)	94.34 (13/6/62)
Toys and Games (6)	48.84	+1.8	0.80	124.97	3.00	48.97	48.68	48.81	46.85	56.45	68.03 (12/1)	44.90 (9/9)	156.72 (16/1/70)	44.90 (9/9/71)
OTHER GROUPS														
Chemicals (19)	185.77	−0.8	8.41	18.48	3.57	184.73	186.38	188.02	186.27	149.30	200.29 (7/9)	138.18 (10/2)	201.92 (31/1/69)	83.29 (26/6/62)
Office Equipment (10)	177.89	—	3.72	26.86	1.68	177.92	177.91	179.16	177.54	150.70	612.06 (16/7)	163.62 (16/2)	618.05 (16/7/71)	109.12 (28/5/70)
Shipping (10)	326.79	+0.3	8.14	12.29	6.05	325.94	326.21	324.68	317.03	337.82	332.60 (7/9)	288.76 (18/4)	358.44 (9/10/70)	90.80 (29/6/62)
Miscellaneous (unclassified) (44)	195.72	+0.5	6.46	18.34	3.53	196.21	196.65	165.39	166.81	168.09	166.72 (18/10)	128.55 (2/3)	196.78 (18/10/71)	76.68 (8/11/66)
INDUSTRIAL GROUP (498 SHARES)	170.71	−0.2	6.42	18.44	3.56	171.13	172.20	172.44	170.73	—	172.51 (14/9)	120.61 (2/3)	176.61 (14/9/71)	120.61 (2/3/71)
Oil (2)	337.81	+0.5	8.83	17.16	3.72	336.27	336.40	341.07	331.67	299.85	363.50 (27/7)	260.74 (2/3)	431.66 (29/5/69)	87.23 (29/5/62)
500 SHARE INDEX	184.95	−0.1	5.48	16.24	3.58	185.22	186.21	186.88	184.47	147.06	190.63 (8/9)	132.46 (2/3)	193.73 (31/1/69)	84.86 (26/6/62)
FINANCIAL GROUP (121)	173.34	−0.6	—	—	6.80	174.39	175.11	176.70	175.74	121.23	178.48 (24/9)	118.76 (10/2)	178.49 (24/9/71)	69.38 (30/8/65)
Banks (6)	175.98	−0.2	7.93	12.51	2.92	174.41	177.00	179.69	179.39	106.33	189.94 (27/7)	101.65 (6/1)	189.94 (27/7/71)	59.86 (13/6/64)
Discount Houses (6)	201.41	+0.2	—	—	3.93	201.03	201.96	200.99	197.39	129.83	201.96 (14/10)	130.72 (15/1)	201.96 (14/10/71)	87.65 (18/6/69)
Hire Purchase (6)	293.47	−0.1	4.34	23.06	2.58	293.77	293.71	290.36	290.01	190.18	308.24 (8/9)	188.57 (13/1)	306.24 (8/9/71)	80.02 (3/8/65)
Insurance (Life) (9)	153.05	−2.4	—	—	2.98	156.80	157.93	159.23	158.10	126.41	170.47 (20/9)	123.16 (18/1)	170.47 (20/9/71)	61.36 (30/8/66)
Insurance (Composite) (9)	137.24	−0.6	—	—	3.22	138.03	139.88	140.16	137.75	88.20	140.87 (23/9)	89.80 (10/2)	174.87 (23/8/71)	54.40 (16/5/65)
Insurance (Brokers) (11)	174.04	−0.8	5.06	19.89	2.65	175.51	177.26	176.99	174.60	113.40	187.56 (27/9)	118.27 (4/1)	187.56 (27/9/71)	82.59 (24/7/69)
Investment Trusts (20)	189.27	−0.8	3.01	33.26	2.80	190.81	192.60	192.69	193.24	164.37	202.33 (8/6)	152.16 (2/3)	216.04 (31/1/69)	80.94 (28/6/62)
Merchant Banks, Issuing Houses (14)	180.40	−0.6	—	—	2.16	181.25	182.67	183.28	182.36	125.95	187.24 (24/9)	108.44 (16/3)	187.24 (24/9/71)	50.47 (15/7/66)
Property (31)	223.14	−0.1	8.73	36.58	2.22	223.43	224.69	224.30	223.81	157.05	226.72 (25/8)	138.37 (8/3)	226.72 (25/8/71)	56.01 (20/4/65)
Miscellaneous (9)	190.98	+0.2	5.39	16.55	3.98	190.59	191.13	189.62	188.69	—	181.13 (14/10)	120.73 (4/1)	191.13 (14/10/71)	180.06 (31/12/70)
ALL-SHARE INDEX (621 SHARES)	181.96	−0.3	—	—	3.40	182.48	183.58	184.20	182.20	140.60	187.32 (8/9)	129.47 (2/3)	187.32 (8/9/71)	83.78 (25/6/62)
COMMODITY SHARE GROUPS (Not included in the 500 or All-Share indices)														
Rubbers (10)	257.29	+0.1	0.03	11.07	7.06	257.10	257.50	257.02	255.35	145.56	257.50 (14/10)	163.62 (7/4)	257.50 (14/10/71)	84.68 (25/8/65)
Teas (10)	99.83	+0.3	16.74	6.07	6.97	90.58	99.33	98.91	99.28	77.28	99.83 (18/10)	78.71 (3/3)	114.64 (14/6/64)	59.96 (14/11/66)
Coppers (4)	261.84	−1.9	57.80	1.47	18.27	266.99	266.53	264.91	259.26	270.47	350.50 (12/7)	235.80 (21/1)	350.50 (12/7/71)	94.08 (29/4/62)
Mining Finance (11)	80.76	−1.4	7.01	14.27	4.11	81.90	81.00	82.52	82.46	126.51	106.79 (7/7)	77.86 (4/10)	175.90 (28/4/69)	77.88 (4/10/71)
Tins (8)	72.54	+0.4	10.89	9.18	8.47	72.29	72.18	71.51	71.61	86.11	74.77 (20/7)	68.11 (4/1)	108.97 (29/6/66)	54.85 (27/5/70)

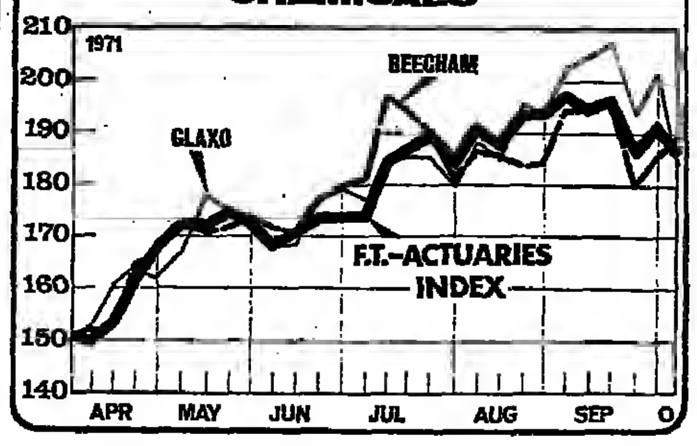
FIXED INTEREST	Monday, Oct. 18 Index No.	Monday, Oct. 18 Yield %	Friday Oct. 15	Thurs. Oct. 14	Wed. Oct. 13	Tuesday Oct. 12	Monday Oct. 11	Friday Oct. 8	Year ago (approx.)	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Consols 2½% yield	—	8.67	8.42	8.40	8.49	8.49	8.48	8.55	9.16	—	—	—	—
20-yr. Govt. Stocks (6)	86.35	‡7.43	86.46	86.47	86.57	88.29	86.25	86.13	74.83	86.57 (13/10)	70.60 (4/1)	116.42 (11/9/63)	68.43 (15/6/70)
20-yr. Red. Debentures & Loans (15)	78.73	‡0.20	79.78	79.39	79.23	78.10	78.82	76.61	72.29	79.78 (15/10)	68.48 (4/1)	113.43 (23/10/63)	66.59 (16/6/70)
Investment Trusts Prefs. (15)	78.48	9.42	77.95	77.60	77.60	77.07	77.07	77.02	70.47	78.49 (18/10)	66.23 (11/1)	114.41 (13/9/63)	66.23 (11/1/71)
Commercial and Industl. Prefs. (20)	84.87	9.06	85.18	84.24	84.23	84.81	83.73	83.56	73.44	85.18 (15/10)	69.08 (13/1)	114.41 (7/10/63)	59.02 (13/1/71)

Section or Group	Base Date	Base Value
…l Manufacturing	29/12/67	114.13
…l Retailing	29/12/67	114.13
…rance Brokers	29/12/67	96.67
…ng Finance	29/12/67	100.00
…s and Spirits	16/1/70	144.76
… and Games	16/1/70	135.72
…e Equipment	16/1/70	162.74
…strial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.06
All Other	10/4/62	100.00

‡ Redemption yield.

F.T.-Actuaries indices are calculated by Extel-Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.

A current list of constituents of the F.T.-Actuaries Share Indices can be obtained from the Publisher, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post inland 16p. Commonwealth 16p. Foreign 19p.



Since the start of the year the F.T.-Actuaries share index for Chemicals has performed only slightly below average with a rise over the period of about 30 per cent., compared with a gain of 33¼ per cent. in the Industrial Group of 498 shares. The recent decline in the subsection, apart from following the general downtrend in stock markets, owes something to disappointment with last week's annual results from Glaxo.

These charts show the pattern of an F.T.-Actuaries index and of prices of two constituents converted to index numbers at weekly intervals over about six months, starting from the same base.

Option Report and three-month "Call" rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct. 12	Oct. 25	Jan. 13	Jan. 25
Oct. 26	Nov. 8	Jan. 27	Feb. 8
Nov. 9	Nov. 22	Feb. 10	Feb. 22

Trading was fairly active in the Option market. Stocks to attract money for the "call" included British Leyland, Amari, Fisons, F. W. Woolworth, Nova (Jersey) Knit, Furness Withy, G.R.A. Property Trust, Joseph Lucas, Vencesta, British Oxygen, Tesco, Tower Assets, Dalton Barton, Slater Walker, Rotary Hoes, Huntleigh Investments, Winkelhaak, President Steyn, Peachey Properties, Vaal Reefs, Western Areas and Anglo-Ecuadorian Oilfields.

"Puts" were taken out in Robert Stigwood, Redman Heenan and Lonrho, while double options were completed in British Leyland, First National Finance and Lonrho.

Prices in pence unless otherwise stated.

REGIONAL MARKETS

NEW "HIGHS" AND "LOWS" FOR 1971

The following securities (number in parentheses) among those quoted in London Closing Prices yesterday attained new "highs" and "lows" for 1971:—

NEW "HIGHS" (128)

CORPORATION LOANS (2)
GLC 7¼pc 1077 W. Riding 5¼pc 1975

COMMONWEALTH AND AFRICAN LOANS (1)
S. Africa 5½pc 74-76

PUBLIC BOARD AND OTHER LOANS (3)
Cope Allman 7½pc 1071-90 Alcan 10½pc 89-04 APC 7pcDb. 98-93

FOREIGN BONDS (2)
Iceland 6½pc 63-88 Ireland 7½pc 91-83

BANKS (3)
Clive Hldgs. Cattle's (Hldgs.) Dalton Barton

BEERS (2)
Ellis Richmond Williams & Humbert

BUILDINGS (15)
Aberdeen Con. Marchwiel Armitage Shanks Meyer (Mont. L.) Crest Homes Mowlem (J.) Fairclough (L.) Tilbury Contracting Heywood Williams Trevis and Arnold J. B. Hldgs. Truscon Kier (J. L.) Varney (Hldgs.) Mallinson (Wm.)

CHEMICALS (2)
Burrell Enalon Plastics

DRAPERY AND STORES (7)
Abern Services Goldberg (A.) Beattie (J.) 'A' House of Fraser Collett (J.) Sivlin (I. O. and S.) Freemans (London)

PROPERTY (10)
Alliance Prop. Lewston Dev. Aquis Secs. Oddenino's Chesterfield St. Martins Dorrington Town Centre Fore St. Inv. White and Sons

SHOES (3)
Church Lambert Howarth Farmer (John)

TEXTILES (4)
Brit. Trimmings Courtaulds 7pcDb. 1082-87 Do 'A'

TRUSTS (3)
Triumph Inv. Knitton Inv. U.K. Overseas

OILS (5)
B.P. 8pc Pref. Db. 9pc Pref. Eastern and Gen. Shell Trans 5½pcPf. Burmah 8pcPf.

RUBBERS (2)
Pataling Sogomana

TEAS (6)
Amalgamated Singlo Kanan Devan Nuwara Eliya Makum

MINES (1)
Gopeng Cons.

NEW "LOWS" (11)

AMERICANS (1)
Continental Oil

CANADIANS (1)
Rio Algom

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	1	29	19
Corps, Dom. and Foreign Bonds	15	29	38
Industrials	472	264	986
Financial & Prop.	93	166	235
Oils	5	8	15
Plantations	16	1	71
Mines	20	40	119
Recent Issues	10	18	96
Totals	637	543	1,690

BEAMA conversion progress

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

THE British Electrical and Allied Manufacturers Association (BEAMA) yesterday stated that it had made substantial progress in the conversion of the association into a federation of nine trade associations.

The aim of the change is to form constituent associations which are able to promote the interests of their member companies more effectively and to match the strength and influence of their European equivalents.

Corporate strength

At the same time, the associations believe that federation will increase their corporate strength on matters of major policy.

All nine BEAMA product divisions have now decided to become associations in their own right. Each association will be responsible for managing its own affairs, backed where necessary by the widely-based federation. They will also be able to call upon the professional central services available within the federation.

The federation's affairs will continue to be governed by a council, with an executive committee to carry on day-to-day business on behalf of the council and functional committees representing each association and staffed by executives from the professional central services.

These services, under the direction of Mr. G. R. Ashford, who is on secondment from the Treasury, include such matters as export promotion, publicity and overseas exhibitions, standards policy, contract conditions, economic and statistical information and taxation.

The titles of the new associations, and their chief executives, are:

Association of Manufacturers Allied to the Electrical and Electronic Industry, Mr. H. Bradshaw; Power Generation Association, Mr. Bradshaw; Rotating Electrical Machine Association, Mr. Bradshaw; BEAMA Transmission and Distribution Association, Mr. R. L. Stanley; Electrical and Electronic Insulations Association, Mr. Stanley; Control and Automation Manufacturers' Association, Mr. R. W. K. Blaghrough; Electrical Installation Equipment Manufacturers' Association, Mr. K. H. Jackson; Welding Manufacturers' Association, Mr. E. R. Stroud; and Process Heating Plant Manufacturers' Association, Mr. Stroud.

Scottish exporters under attack

BY OUR OWN CORRESPONDENT

EDINBURGH, Oct. 18.

DISAPPOINTMENT at the use Scottish exporters have made of a sea service to Sweden was expressed in Edinburgh to-day. Mr. Ian Lyall, managing director of Roxburgh Henderson, forwarders, of Glasgow, told a Press conference abroad the Seaway Car Transporters' ship Skyway in Leith docks: "It is a pity that Scottish manufacturers and exporters have not taken the same advantage of our service to push their sales in Scandinavia as the Swedes have done to sell in Scotland. This is odd and disappointing as Scandinavia is our nearest market and easiest to reach, especially by Seaway."

The weekly service from Leith to Gothenburg, has been in operation for just over a year. The roll-on, roll-off vessel has usually sailed from Sweden with full cargoes but left Leith sometimes less than half full.

Mr. Lyall said that in 1969 inward traffic to Leith from Sweden was about 17,000 tons. In 1970 it increased to nearly 74,000 tons. In 1962, only 1,500 tons was exported from Leith to Sweden and last year it increased only to 4,500 tons.

'Build for £30 a week family' challenge

A CHALLENGE to developers to "design and build good quality homes within the price range of families earning £30 to £35 a week" is being made by Peterborough Development Corporation.

The Corporation offers to sell eight acres of land at about £6,000 an acre to a developer who can meet the challenge.

It intends that there should be a higher level of home ownership in Greater Peterborough than in earlier New Towns. Less than half of the houses built in the new city will be for rent. But the corporation says it will not reach this target if the price of new houses is beyond the reach of the "average wage earner."

Mr. Wyndham Thomas, general manager of the corporation, said: "We are looking for entrepreneurs genuinely interested in helping us to realise our continuing ambition to bring owner-occupation within reach of several thousand of the families coming to live in the new city."

The eight-acre site is at Bretton, first of Greater Peterborough's new townships.

About 18,000 people will live at Bretton, at least half of them in houses they will buy. The site is near the township centre, where Sainsbury's first "superstore" is nearing completion.

Developers should write to Mr. Wyndham Thomas, general manager, Peterborough Development Corporation, Peterscourt, Peterborough, by November 15.

British Steel to use metric only

Financial Times Reporter

THE British Steel Corporation plans to use only metric units by April 1, 1973. Metric weights will be employed for all purposes a year earlier.

The news was given with the publication by the BSC of a comprehensive booklet of metric units, one of the first of its kind to be published by British industry.

The booklet is designed to meet the need of both customers and suppliers to the industry, as well as the corporation's own personnel. The units listed in it are intended to assist in the selection of those for particular quantities, many of which are peculiar to the steel industry.

Advice is also given on how to use them. They have been chosen, the corporation says, on the basis of discussions within the BSC metrication committee, and are in line with the recommendations of international and U.K. organisations concerned with metrication.

Metric Units in the Iron and Steel Industry; BSC, £1.50.

P. LEINER & SONS

P. Leiner and Sons, of Treforest, has secured the sole selling rights for the U.K. and certain other parts of the world for Eurand Microencapsulation from Eurand SpA, of Milan, associates and world-wide licensees in the microencapsulation of the National Cash Register Company, Dayton, Ohio, U.S.

ACTIVE STOCKS

Prices in pence except where otherwise indicated.

Stock	Denomination	No. of marks	Closing price	Change on day	1971 high	1971 low
Marks & Spencer	25p	17	287	−10	331	194½
Alliance Property	25p	15	124½	+ 8½	124½	63½
Brit.-Am. Tobacco	25p	15	318	—	391	265
Brit. Petrolm. New	Nil pd.	13	*112	− 3	*128	*112
Lonrho	25p	13	64	− 1½	113	48
Tanker Inv.	25p	13	55	+ 4	55	29
Unilever	25p	13	309	− 2	340	215
Dalgety	£1	11	177	+11	198½	120
De Beers Defd.	R0.05	11	187	− 5	258	173
Rio Tinto-Zinc	25p	11	210	− 3	270	184
Broken Hill Prop.	A$2	10	512xc	− 4	654½	480
Hays Wharf	£1	10	370	+ 6	370	242½
Imp. Chem. Inds.	£1	10	308	+ 2	335	230
Mather & Platt	25p	10	74	+ 9	83½	56
Spreckley (C.)	10p	10	75	+ 8	75	35½

* Premium.

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1)(e) and reproduced to-day in Stock Exchange dealings.

SHARE INFORMATION SERVICE: NOTES

Denominations are 25p unless otherwise indicated.

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

1971 High	Low	Stock	Closing Price £	+ or —	Gr's Yld Int. £	Redemption £
		"Shorts" (Lives up to Five Years)				
100	98	Conv. 6pc 1972	100	......	5.27	4.71
99	96	Gas 4pc 69-72	99	+	4.02	4.77
101	95	Exchequer 5½pc 1972	101	......	6.17	4.77
102	96	Exchequer 6¾pc 1973	102	......	6.60	4.88
97	92	Electric 3pc '68-73	97	—	3.08	4.96
97	92	Transport 3pc '68-73	97	—	3.08	4.98
99	93	Treas. 5¼% 1973	99	......	5.25	6.28
99	95	Conv. 5½pc 1974	98	—	6.30	6.56
99	96	Treas. 6¼% 1974	98	—	5.65	6.71
102	96	Treasury 8½pc 1974	102	......	6.57	5.78
92	84	Savings 3pc '65-75	92½	—⅛	3.24	6.18
100	95	Treasury 6pc 1975	99⅞	—	6.00	6.03
101	95	Exch. 6½pc 1976	101	—	6.41	6.19
101	95	Treasury 6½pc 1976	101	—	6.41	6.21
100	94⅝	Victory 4pc 1976	97¼	—¼	4.11	6.23
		Five to Fifteen Years				
99½	97¼	Funding 4pc '60-90	97½ xd	......	4.09	6.00
101	95	Treas. 6½% 1977	101	......	6.22	6.16
91	86	Electric 3pc 1974-77	81	......	3.50	4.98
91	91	Transport 4pc '72-77	91¾	......	4.43	5.97
93	82⅝	Exchequer 5pc '76-78	93¼	—⅛	5.38	6.27
89	75⅝	Electric 4¼pc '74-79	89	—⅛	4.78	6.06
85	70⅝	Do. 3½pc '76-79	84¼ xd	—⅛	4.14	3.94
94	69	Treasury 3½pc '77-80	94¾	......	4.19	3.95
95	76⅞	Funding 5¼pc '78-80	63⅝	—⅛	6.78	6.49
82	67	Treasury 3½pc '79-81	89⅝	—⅛	4.88	9.08
107¼	92⅝	Do. 8¾pc '80-82	107¼	......	8.09	7.96
89	71	Funding 5½pc '82-84	89¾	......	6.23	6.98
105⅝	80¼	Treasury 8½pc '84-86	105⅝	......	8.25	8.10
		Over Fifteen Years				
89	76	Funding 5¾pc '85-87	88xd	—⅛	7.66	7.92
63½	47⅝	Transport 3pc '78-88	63½	......	4.78	6.77
74⅛	61¼	Treasury 5pc '86-89	74xd	—⅛	6.76	7.69
98	96	Treasury 8¼pc '87-90	98⅛	—⅜	8.49	9.55
79	67½	Funding 5¾pc '87-91	78⅞	......	7.31	7.91
79½	66	Funding 6pc 1993	79⅜	......	7.71	8.19
107	85	Treasury 9pc 1994	103xd	......	2.68	8.58
54	41	Trans 3pc '90-95	54xd	......	5.54	7.01
105	95	Treas. 9pc '92-6	105½	—¼	8.77	2.72
55	41	Redp 3pc '86-96	95¼	......	6.44	6.74
102	901	Treasury 8½pc 1997	108¼	—⅜	9.58	8.64
103	39	Treas. 8¾pc 1997 "A"	103	—⅝	8.69	8.69
94	73	Treasury 6¾pc '95-98	92¼xd	—⅝	9.17	8.41
52	40	Funding 3½pc '99-04	51½	—½	9.92	7.62
		Treas. 5pc '02-6 ●	26	......	9.42	9.44
69	57	Treasury [illegible]	67¾	—1⅛	2.25	8.56
		Undated				
47	40	Consols 4pc	47	—⅛	9.67	—
49	36	War Loan 3½pc	49⅛	—⅝	9.58	—
41	36	Conv. 3½pc '61 Aft.	41	—⅝	8.57	—
34	31	Treasury 3pc '66 Aft.	34½	—¼	9.72	—
29	21	Consols 2½pc	22¼	—¼	8.57	—
29	23	Treasury 2½pc	29⅛	—¼	8.62	—

● "Tapstock"

INTERNATIONAL BANK

1971 High	Low	Stock	Closing Price £	+ or —	Int.	Redemption
96½	87	5pc Stock '69-74	94	......	3.72	5.71
79½	69½	5pc Stock '77-82	70¼	......	6.34	9.48
105	104½	8pc Stock 1976	104¾	......	7.64	6.22

CORPORATION LOANS

1971 High	Low	Stock	Closing Price £	+ or —	Int.	Redemption
90	77	Belfast 6pc '73-75	20½	......	6.65	9.21
97	76	Bristol 6½pc '75-77	97	......	6.80	7.65
92	80	Essex 5¼pc '75-77	92⅛	......	6.11	7.71
99	22	G.L.C. 6pc 1976	99⅛	+⅛	5.96	7.15
101	30	Do. 7½pc 1977	101¼	+¼	7.25	7.26
96	73	Herts 5½pc '76-80	26	—½	9.26	7.87
94	86	Liv'pool 5¼pc '71-75	24	......	5.20	7.06
112	101	Do. 9½pc '80-84	109xd	—¼	9.26	2.51
79	55	Do. 3½pc Irred	39	—½	2.07	
100	96	Lon Corp 6½pc '71-72	100	......	6.19	6.00
95	85	Do. 6¼pc '75-78	25	—½	5.23	7.60
100	86	L.C.C. 6½pc '71-72	100	......	6.44	5.64
100	96	Do. 6pc 1972	100	......	5.29	5.35
65	53	Do. 5½pc '68-73	65	......	5.67	6.36
100	95	Do. 6½pc 1974	100	......	9.74	6.59
[illegible]						

COMMONWEALTH AND AFRICAN LOANS

[illegible]

PUBLIC BOARD AND OTHER LOANS

[illegible]

Corporation Short-dated Bonds

[illegible]

FOREIGN BONDS & RAILS

[illegible]

London U.S. Dollar and DM Issues

[illegible]

Prices exclude inv. $ premium.

AMERICANS

[illegible]

S.E. List Premium [illegible] (based on [illegible] per £)

CANADIANS

1971 High	Low	Stock	Closing Price	+ or —	Div. Amount	Times Covered	Gross Yield
440	270	Abitibi Paper	300	+25	—	—	—
832	700	Bk. Montreal ($2)	775	+12	75c	—	4.1
£14½	£10½	Bk. Nova Scot. ($2)	£13	+⅛	84c	—	2.6
£14¾	750	Bow Valley	£13¼	......	5c	—	—
£10⅛	755	Brascan	978	+10	$1.0	—	4.8
372	285	B.P. Oil & Gas	300	+3	—	—	—
£13¾	943¾	Can. Imp. Bk. ($2)	£11¾	+⅛	69c	—	2.6
715	60	Can. Pacific ($5)	983	+25	65c	—	4.5
125	83¾	4pc N. Cum. P. ($5)	100	—1	4	—	6.0
£44	£37½	4pc Deb. £100)	£43¼	......	4	—	0.6
830	290	Cons. Bathurst	290	—5	$1	—	14.4
£15½	£10	Gulf Oil Can.	£16⅛	+¼	57½c	—	1.2
156	95	Hawker Sid. Can.	110	+15	—	—	—
£21	£17½	Hollinger ($5)	£17⅜	......	$1.20	—	6.8
£10	735	Hudson's Bay	865	—10	62c	—	2.5
£24	£18	Hud. B. Oil G. ($2)	£21⅛	......	60c	—	0.9
£15	765	Imasco	906	+10	80c	—	3.7
£16	920	Imperial Oil	£14¾	......	52½c	—	1.6
670	528	Int. Nat. Gas $1	600	+15	50c	—	3.5
£22	214	Int. Nickel	£14¼	+⅛	21.50	—	4.4
645	430	Massey Ferg.	525	+5	21	—	1
£17⅞	£13½	Pacific Petrol ($1)	£15¾	+⅛	30c	—	0.6
80	53	Placer Gas ($1)	66	+2	—	—	—
£11	640	Rio Algom	640	—12	40c	—	8.6
£13	£11	Royal Bk. Can. ($2)	£12	+	88c	—	2.8
145	85	Steep Rock ($1)	95	......	15c	—	6.6
£13½	845	Tor. Dom. Bk. ($2)	£19	+⅛	68c	—	6.4
£18¼	£14¾	Trans. Can. Pipe $1	£19⅜	......	$1	—	8.5
£13⅛	£10⅝	Westcoast	£11⅞	......	30c	—	1.7
800	450	White Pass	433	+5	95c	—	8.4

S.E. List Premium 25⅛% (based on $2.4995 per £)

BANKS AND HIRE PURCHASE

†† Banks, etc.

1971 High	Low	Stock	Closing Price	+ or —	Div. Amount	Times covered	Gross Yield	P/E Ratio
335	231¼	Alexanders D. £1	335	+5	†15	—	4.1	—
690	357½	Allen Harvey £1	590	......	20	—	3.4	—
555	375	Allied Irish £1	315	......	19	—	5.5	—
162	127½	Anglo Israel £1	148	......	10	—	2.8	—
305	200	Arbuthnot L. £1	260	......	10	—	3.7	—
238	240	Aust. & N.Z. £1	970	—2	10	—	6.7	—
22½	20	Bk Hapoalim I£1	22	......	12	—	6.8	—
260	240	Do. 10pcPf. (I£10)	240	......	14	—	5.9	—
430	300	Bk. Ireland (£1)	406	......	14	—	3.5	—
32	26	Bk. Leumi (A) I£1	28	......	12	—	6.1	—
375	290	Bk. N.S. Wales £1	625	......	10	—	2.0	—
530	357½	Bank Scotld £1	513	......	12	2.1	6.7	13.1
622	327½	Barclays £1	562	......	16	2.5	2.9	15.6
560	375	Do. Intl. £1	229	......	13	2.6	8.9	15.5
105	63¾	Brit. Bk. Com.	101	......	12	1.8	5.0	19.8
535	360	Brown Shipley £1	330	+6	16	—	8.8	—
60	40	Bryanston	92	—1	d16	2.8	3.9	9.7
116	95	Burston Grp.	29	—1	d16	1.7	4.1	14.7
356	215	Cater Ryder £1	552	......	15.4	—	4.5	—
95½	57¼	Cedar Hldgs 20p	94	+1	E15	1.4	5.5	28.0
625	510	Clive Hldgs £1	525	+10	20	—	5.2	—
116	94	Com'l of Aus (A$1)	106	......	11	—	4.7	—
705	530	Comz Bk Dm 10	560	......	17	—	2.2	—
69	50	Com'd'reSec 10p	92xd	—¾	12	2.2	2.2	71.5
450	220½	Dalton B'rt'n 50p	420	+17	21	8.3	2.5	20.5
67½	22	First Finsb'y 10p	41	+5	10	—	2.4	—
£11	605	Gerrard & N £1	£11xd	+⅛	40	—	3.5	—
538	182½	Gillett Bros. £1	390	......	14	—	4.4	—
114	62	Guinness Mhn.	110	—1	11	—	2.5	—
385	212½	Hambros	375	—5	50	—	2.0	—
145	72	Hill Samuel	154	......	15	—	2.8	—
227	700p	Do. Warrants	£17	—9	—	—	—	—
£17¼	360	Bong Shang ($25)	£15⅜	......	20.4	—	2.5	—
210	167½	Israel Brit. I£10	[illegible]	......	12	—	5.2	—
491	285	Jessel T'nbee £1	465xd	—1½	17	—	3.7	—
320	177½	Joseph (Leo.) £1	270	......	62	—	2.5	—
180	281¼	K'yser Ulim'n £1	560	—10	14	—	2.8	—
[illegible]								

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS, ETC.

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING AND METAL

[illegible]

ENGINEERING AND METAL—Gen. Cont.

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS AND CATERERS—Continued

[illegible]

INDUSTRIALS (Miscell.)

[illegible]

"Recent Issues" and "Rights" Page [illegible]

INDUSTRIAL (Miscell.)—Continued

1971 Low	Stock	Closing Price	+ or —	Div. % or amount	Times covered	Gross yield %	P/E Ratio
45½	Incledon Lamb.	57½	......	15	1.0	6.5	16.5
18	Ind.C.Cl'ns(10p	85½	+½	8	1.8	2.4	23.8
45	Initial Services.	72	......	15	1.4	5.2	14.1
28¾	Inter-City (20p)	28¾	......	5	1.0	3.8	29.5
105	IntComput'rs£1	111	......	11	1.5	0.0	2.3
109	Int. Time Rec...	128	+2	20	2.4	4.1	11.7
15	Jacks (Wm.)......	24	......	—	—	—	—
25	James (John)...	33½	—1½	12	9.8	8.4	14.0
20	James (M.)(10p)	32	......	20	3.3	6.3	4.8
192	J'rdineM(HK$5	342	+4	15.9	2.2	1.9	23.8
11	Jeulique (5p)....	21	......	16	2.1	3.9	12.3
72	Jeyes Group.....	25	......	119	1.4	5.0	14.5
37½	Johnson Cln'rs.	51	+1	8	0.9	3.3	31.8
212	JohnsonMthy£1	288	+3	12	1.8	4.3	13.0
62	Judge Int........	75	......	13	1.3	4.3	17.7
156	Kalamazoo.......	174	+2	34	ϕ	4.9	ϕ
65	Kangol 20p......	96	......	20	3.7	4.2	8.7
46	Kelsey Ind.12½p	56	+1	24	2.4	5.5	7.5
26	KennedySm20p	61	+1	20	1.9	6.6	8.9
75	Kent(Geo.)(50p)	23	......	3	1.8	1.8	52.3
210	Kleeman.........	315	+5	35	2.0	9.8	19.3
20	Kolo Int.........	23	......	—	—	—	—
82	LRC Int. 10p....	132	......	40	1.6	3.0	21.4
77½	Lamson Inds....	86	......	13	1.5	3.9	15.4

INSURANCE

1971 High	1971 Low	Stock	Closing Price	+ or —	Div. % or amount
502	357½	Bowring (C.T.)	480	—5	38
103	63¾	BrentnallBd10p	102	......	634
288	190	Britannic 5p.....	234	......	165
482	320	Comm. Union...	472	+2	61
497	271¼	Eagle Star (50p)	490	+2	24
280	250	Economic	375	......	45
350	213	Equity&Law(5p)	304	—5	110
302	210	Excess..............	255	—8	38
96	62½	Fenchurch (10p)	84	+2	46
95	61¼	Do. "A" (10p)	85	+3	45
197	115	Gen. Accident...	171	—5	122
258	187	Guardian Royal	258	—2	132
132	85⅝	Hammond (L.)	95	—1	90
232	111½	Heath(C.E.)20p	210	—8	37
180	72¾	Howden(A)(10p)	160	+1	142
372	237½	Legal& Genrl 5p	512	—10	188
497	297½	Leslie & Godwin	365	......	45
165	113¼	Lon. & Man.(5p)	151	+¼	193
285	240	M'thew Wr30p	253	+2¾	40
240½	181½	Mercury (50p)...	205	......	15.5
365	213⅝	Minet Hldgs20p	313	—12	30
670	400	Orion £1	645	......	22
310	226	Pearl 5p............	280	—4	200
290	172½	Phoenix............	274	—4	134

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EASTERN RAND

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PLATINUM

CENTRAL AFRICAN

AUSTRALIANS

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TIN—MISCELLANEOUS

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MISCELLANEOUS

For Notes, see Stock Exchange Dealings.

THE LEX COLUMN

Index rose 1.1 to 415.7

Gearing *versus* dilution for Allied

With an equity capitalisation of £100m. before the bid approach yesterday and £140m. at the 1970 peak price of 181p, Trust Houses Forte is about one-third the market size of *Allied Breweries*. At a guess, its total drink requirements would amount to under 5 per cent. of AP's sales (£384m. in 1970): but even if the CM/Trumans parallel is not valid here, the THF represents an understandably attractive move into growth areas for a brewer. It seems unlikely that the THF Trust would actually block a reasonable bid, and, given the significant entrepreneurial holding, price must be the key issue.

The problem here is that AB can be represented as a fast-growing profits proposition and thus would seem to face a dilution problem on prospective earnings of perhaps 7.8p a share, when no significant increase is now expected from THF over 1969-70's net of 7.6p a share: the respective closing share prices yesterday were 155p and 117p. Nor on the face of it could loan stock go far to solving the problem, since THF's own gearing provides a considerable burdle.

AB is sitting pretty enough with £108m. of borrowings against a net worth of £183m. But THF has loans of about £90m. on top of £54m. of net worth, so that just to finance half of a bid worth say £140m. with loan stock would leave AB with a net worth of £237m. supporting loans of £268m. Even with an undervalued combined property portfolio in the books at £270m. odd, this would be a big swallow. However, shareholders of THF can confidently sit tight at these levels.

Duport

Duport's first half profits—£1.52m. pre-tax against £1.35m in the previous six months and an adjusted £2.2m. or so twelve months *ago*—seem to bear out the thinking behind its share price strength earlier this year: that a very low multiple was discounting the problems in steel and ignoring the possibilities in domestic products, around 60 and 30 per cent. of last year's pre-interest profits respectively. A 45 per cent. drop in steel profits is the reasonably predictable outcome of the contrast between last year's buoyant prices and volume with a 15 per cent. odd drop in capacity utilisation this time. Whimsically, however, domestic products—like beds and kitchen units—are also down by upwards of 40 per cent. The engineering division has saved the day, with profits £447,000 higher at £652,000 despite the Ford strike, and that follows better pricing and loss elimination in automobile original equipment, a major part of sales.

A forecast of current half profits comparable to the first six months does not necessarily imply an improving trend, since strikes were a big problem a year ago. Yet the possibility is there in engineering and domestic products—50 per cent. of first half profits—with demand from the motor industry still unexciting and consumer goods only starting to pick up now. Meanwhile, the interest charge should be trailing back: stocks are down, over £600,000 working capital has been released following the Slumberland acquisition, and a subsidiary has been sold for £900,000 cash. That is the case for a fully diluted prospective p/e of 11.3 at 65p; the timing is dictated by the steal cycle.

Allied Suppliers

The cryptic comment from Allied Suppliers after a first half drop in pre-tax profits from £3.89m. to £3.68m. is that the group could be returning to the trend seen before the second half of 1970 when profits slipped badly to £3.22m. The implication is that Allied will produce at least £4m. in the rest of the year for a total of £7.7m. (almost in line with the 1969 peak) and an earnings rise from 17.4p to a little over 19p a share. If so, the share price can stand on its own two feet at 264p, under 14 times prospective earnings.

A first *half sales* rise of 9 per cent. was no great shakes, but further branch pruning could have held back volume and anyway the group appears to have coped reasonably well with a difficult cost bump as the second and final instalment towards equal *pay* for women went through in the spring. Also the impact of the new larger Lipton stores should be cumulative. The drawback is that the Pakistan troubles—reflected, no doubt, in a £120,000 overseas profits shortfall at £1.3m.—are still very much in evidence.

Staflex

After its wild share price gyrations this year—down to an alarming 19p, before rising to the current 68p—Staflex gives the market something to focus on with profits of £255,000 *before tax for* the first six months. The comparison here is with £108,000 for the same period of 1970 but £509,000 the year before out of peak 1969 profits of £1.14m. Broadly, then, the figures fit in with a timetable which could see an approach to full recovery in 1972.

Getting staflex's operations geared to what is now a more mature market in interlinings has involved a pruning of the product range from 200 lines to 80 lines and a sizeable stock cutback, hopefully improving the stockturn to 3 : 1 by the end of the year against around 2 : 1 in 1970. *Meanwhile* the concentration of seven production units under one roof in London has been completed, and the price rises announced in January should have an increasing effect as they work through to *large contracts*. In fact the 14 per cent. sales gain in the first half owed only two or three points to prices, and the figure excludes the half-owned U.S. associate, very much the star turn this year with a 50 per cent. sales gain and a turnround into profits on a modest scale.

Thus if we assume say £550,000 for the year pre-tax, and a *normal* tax charge (actually Dutch tax losses will keep it low), the prospective p/e on earnings of 4.2p a share would be 16, which looks a fair compromise when full recovery and doubled earnings could be not much more than a year away.

Lombard

£'s float is cleaner than it looks

BY C. GORDON TETHER

IN VIEW of the impressive size of the payments surplus the Chancellor of the Exchequer was boasting about at last week's Tory conference, the extremely modest appreciation the £ has recorded since it was untied from the dollar two months ago certainly does suggest that Britain's float is the "dirtiest" of them all.

Yet, given Washington's evident determination to exploit the present situation for securing important long-term economic advantages over the rest of the world, all countries are entitled to safeguard themselves by limiting in some measure the rise in their currencies in relation to the dollar. And the case for such "protective intervention" is, for a number of reasons, particularly strong in the British case.

On the face of it, the American contention that the best hope of creating a new and viable parities system lies in allowing rates more or less complete freedom to *float* to the levels indicated by current supply-demand relationships may seem eminently reasonable. In reality, however, it would be *manifestly unfair* to the other countries principally concerned.

Indigestion

One reason for this is that a *dominant* influence in the exchange markets at the moment is the glut of capital account dollars—a state of indigestion that inevitably tends to result *in* the dollar being temporarily forced down to a lower level in relation to other currencies than longer-term trade and similar considerations would justify.

Secondly, to the extent that it was determined by basic factors, any exchange rates pattern emerging from the present float would be geared to existing American payments policies. And there are, of course, aspects of Washington's present approach that are dictated by considerations of a kind which the rest of the world can hardly be expected to be ready to indulge.

Rules of game

All countries, therefore, have a right to challenge the proposition which the Americans are so busily fostering that they are behaving unfairly if they seek to stop their currencies appreciating beyond the point they themselves consider reasonable. This is something they all have every right to do until some kind of understanding has been reached on the rules under which the floating game is to be played and what significance is to be attached to the final score.

And, as I said earlier, in the British case the arguments for taking this line are particularly impressive.

For one thing, there can be little doubt that the present surplus is already in process of being seriously undermined by the deterioration in the relationship between U.K. export prices and those of our main competitors that has taken place during the past year or two. Immediately before the dollar crisis exploded in the summer, British exports were, on average, no more competitive in relation to those of France, Germany, the Netherlands, Japan and Belgium than they had been on the eve of the £'s 1967 devaluation.

Moreover, the advantage they had gained in the late 1960s over U.S. export prices had also been greatly eroded.

EEC burden

Economic re-expansion at home will, when it does get under way, presumably initially set imports rising much faster than exports—in the past this has usually given rise to a deterioration of the order of £300m. or more per annum in the exports-imports relationship. So the present payments surplus could shrink pretty rapidly during the next year or two if the £ were allowed to emerge from the present float with an appreciation of substance in relation to the dollar. And that, in turn, would greatly add to worries arising from the balance of payments repercussions of our prospective entry into the EEC.

Because of the remarkable resilience of our post-devaluation surplus, it has come to be widely assumed that Britain would take the additional EEC *burdens in* her stride—this in spite of the fact that they will eventually far exceed the payments deficits that were such a bugbear in the 1960s. In reality, it now looks as if any sterling revaluation against the dollar emerging from the present float will have to be extremely modest if we do not want to run the risk of having to devalue again after entering the Community. And the complications which such an operation would generate can hardly be overstated.

Internees appeals inquiry can probe all complaints

BY RICHARD EVANS, LOBBY CORRESPONDENT

IN RESPONSE to growing demands for a Government *statement* on allegations of ill treatment of internees by security forces in Northern Ireland, No. 10 Downing Street *announced* last *night* that Sir Edmund Compton, chairman of the internees' appeals inquiry had full powers to investigate all the complaints.

The statement cleared up doubts about whether Sir Edmund had the powers to investigate all the complaints. *His* committee's report is expected to be published early next month.

The Government assumes that the Sunday Times—which published many of the allegations at the week-end—will make available its evidence to the committee in response to a request made six weeks ago.

The statement followed a *meeting* of senior Ministers called by Mr. Heath to discuss the allegations and a later meeting between Mr. Heath, the Home Secretary Mr. Reginald Maudling, the Opposition leader Mr. Harold Wilson and the "Shadow" Home Secretary, Mr. James Callaghan.

The meeting between Government and Opposition leaders was on Privy Council terms and discussed both the allegations of torture and the seizure of arms in Holland destined for the IRA. Mr. Wilson and Mr. Callaghan were assured by the Prime Minister that Sir Edmund Compton had full powers to investigate all the allegations of brutality.

In the Commons Miss Bernadette Devlin, Independent MP for Mid-Ulster and Mr. Frank McManus (Unity, Fermanagh and South Tyrone) made three attempts to secure an emergency debate but the Speaker, Mr Selwyn Lloyd, firmly rejected their pleas. They demanded an immediate inquiry into the torture allegations, citing in particular the cases of William Shannon and Liam Rodgers who have not been heard of since being taken into custody over a week ago.

Outside the Commons, two Stormont Opposition MPs, Mr. Austin Currie and Mr. John Hume repeated the demands for an answer to the allegations of *brutality* and sent copies of a 29-page dossier to Mr. Heath and Mr. Maudling. They presented one to Mr. Wilson during a short meeting at the Commons.

The dossier contains allegations of brutality and ill-treatment from six internees, some of whom have now been released.

At a Commons Press conference the two MPs claimed the men had been brain-washed and tortured in Palace Barracks, the British military camp in Co. Down.

Later, Mr. Hume said the able for looking into the allegations since it was held in private.

Faulkner call to industry

BY OUR OWN CORRESPONDENT

BELFAST, Oct. 18.

NORTHERN IRELAND is neither despondent nor defeated, bankrupt neither economically nor in resolve, the Prime Minister, Mr. Faulkner, said to-day.

In a rallying speech to the province's economic council he declared: "Ulster is in business and will remain so."

Mr. Faulkner said that the basic contribution industry could make in the campaign to defeat the IRA was sticking to the job.

"Management and men must see to it that there is no sectarian troubles at places of work. They must take the lead in showing restraint and common sense, for it is at their future that this vicious onslaught is directed."

He added: "As we do this I do not believe we will look in vain to our customers, our suppliers, our financial institutions, our fellow citizens in Britain for sympathy, understanding and, where necessary, support."

As Mr. Faulkner spoke, troops blowing up unapproved border roads came under automatic fire at Middletown, County Armagh and Clogher, County Tyrone There were no casualties.

But in Londonderry later a soldier was shot and taken to hospital with serious neck injuries. Another soldier died in a shooting accident near Belfast.

In Belfast and Londonderry more policemen are to get flack jackets, following the week-end killing of two officers and the wounding of another three.

The mothers of three Scottish soldiers shot while off duty near Belfast in March were in court to-day for settlement of damages claims.

Mrs. Margaret Greenwood, of Ayr, mother of brothers Joseph and John McCaig, was awarded £2,500 agreed damages. Mrs. Elizabeth McLean, of Glasgow, mother of Dougald McCaughey, was awarded £1,750. In the same court Mrs. Joan Curtis was awarded £6,500 for the death of her soldier husband. Her daughter was awarded £1,500.

The Ministry of Development announced to-day that Strabane *Urban Council* in County Tyrone was being dissolved. It had been unable to function because the majority of councillors had withdrawn in protest against internment. Its functions will be taken over by the Ministry.

Emergency laws came into force to-day to fight the civil disobedience campaign of 26,000 Ulster tenants. They were warned in newspaper advertisements that if they did not pay their rent or rates the Government could divert money from their social security payments to the councils.

UCS chief puts cost of starting Govan Shipbuilders at £30m.

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT

CLYDEBANK, Oct. 18.

THE COST of setting up Govan Shipbuilders, the new Government-backed company on the Upper Clyde, was estimated here *to-day* at *over* £30m. by Mr. Kenneth Douglas, the deputy chairman and managing director of UCS, now in liquidation.

This sum, he said, included unemployment pay to those laid off, redundancy payments, loans and grants made to the UCS liquidator (*Mr. Robert Smith*), Government guarantees to allow Govan Shipbuilders to raise money on the open market for working capital and capital investment.

This, Mr. Douglas contrasted at the resumed STUC-sponsored inquiry into the UCS collapse with the £6m. requested by the company before it went into liquidation in June.

Mr. Douglas, in answer to a question by Professor Raymond Illsley, chairman of the inquiry, also said that, given the £30m., he would have preferred to start a new yard on a "green field" site rather than spending it on three.

Mr. Douglas took *issue* with the "four wise men" whose report on the reorganisation of shipbuilding on the Upper Clyde was accepted by Mr. John Davies, Secretary for Trade and Industry, as the basis for setting up the new company based on the Govan *shipyard* and the Linthouse steel fabrication unit.

In his view, the labour force of 2,500 recommended in the report would be sufficient to maintain production at the Govan yard only, without the Linthouse unit. Taking the two, even on a single shift basis, would require 3,200 men

If the Scotstoun yard were also added (this is now the subject of a feasibility study), the labour force would further rise to 4,500: and, if the order position justified double-shifting, it could increase to between 5,500 and 6,000.

This would still leave 2,500 to *3,000* people without *jobs*: in effect, the labour force employed at Clydebank, which Mr. Douglas described as a "very difficult *yard*."

Mr. Douglas repeated earlier claims about spectacular improvements in productivity. At *the Govan yard*, steel throughput doubled in two years, in spite of a smaller labour force, from 280 to 300 tons a week to over 600 *tons at the time of liquidation*. (This, he said, justified the wage levels also criticised in the "four wise men's" report.)

Mr. Douglas had some harsh words to say about Mr. Nicholas Ridley, now Parliamentary Secretary at the Department for Trade and Industry, whose pre-election report, said by the Conservative Central Office to have been compiled in his individual capacity, suggested the "butchering" of UCS.

Mr. *Douglas* rejected the notion that Mr. Ridley acted merely as an individual MP. Referring to what he called "the *so-called report which* bore no *signature*," he produced a letter signed by Mr. Ridley to Mr. Anthony Hepper, chairman of *UCS, asking for a meeting*. He then quoted from the letter, dated December 4, 1969, which said: "So far as I am concerned, *my visit is an official* one from the Opposition."

Ministers have repeatedly denied knowledge of the letter, *or that it had in any way* influenced Government policy.

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£500m. merger plan

sion then the Council would probably use its voting power to act as mediator rather than to force the issue.

A further problem could be the DTI. However, Mr. Thorley last night said that he could see no reason for a reference to the Monopolies Commission. At the end of 1968 the proposed Allied Breweries / Unilever merger was referred to the Commission, which decided that it did not represent a threat to the public interest, but was at the same time sceptical of the claimed industrial logic. That merger eventually fell through with the time lag while the Commission's investigation was carried out, and changes in market conditions, given as the official reason.

Speculation last night centred on possible alternative bidders for THF, which has been a persistent take-over tip since news of the management difficulties in July. Leisure in all its aspects is currently a fashionable field for diversification, so that other candidates need not necessarily be limited to the brewing and hotel fields.

Lazard's in Eurodollar link with AMEX

By Michael Blanden

LAZARD BROTHERS, the merchant bank, is linking with the banking arm of American Express with the aim of expanding and developing jointly the two companies' operations in medium-term Eurodollar loans and other international financial operations.

A jointly-owned company has been set up by Lazard with American Express International Banking Corporation. The company, registered in the U.K. under the name of LB/AMEX, will act exclusively as agent for the two equal partners in the venture. The partners will use it for the major part of their Eurocurrency lending to corporate and other customers.

Both partners can claim substantial experience in the Eurodollar loan market, but can contribute in different ways to the joint venture. Lazard is experienced in the organisation of *large* international loans and the arrangement of the syndicates which provide finance; AMEX has participated in loans, and has a world-wide network of contacts.

For both partners the link provides the means to extend their operations without conflicting with their existing contacts around the world.

Co-ordinate

LB/AMEX will co-ordinate the knowledge and experience of the two groups. It will be run by members of both banks who will at the same time continue their existing duties in the banks. Lord Poole, chairman of Lazard Brothers, will be chairman of the new company.

The senior representative from the U.S. side will be Mr. J. D. Robinson III, president and chief executive officer of AEIBC, New York. The principal officers will be Mr. J. St. J. Rootham, Mr. F. E. Zollinger from Lazard and Mr. A. W. Lohse of New York and Mr. J. H. Bady of London from AEIBC.

Talks on oil States' demands

BY ADRIAN HAMILTON

REPRESENTATIVES of the International oil companies are now meeting in New York to discuss producer-country demands for participation in oil concessions and for higher-posted prices to compensate for the fall in the value of the dollar in the present currency crisis.

The meetings, which started last week, are thought to be only preliminary at this stage, with the companies discussing common ground in preparation for the start of negotiations with the members of the Organisation of Petroleum Exporting Countries (OPEC).

These are not expected to start until later this month. In the meantime, the companies are establishing the groundwork for a more formal united front on the lines of that developed in the OPEC revenue talks earlier this year.

Approach to U.S.

An approach is believed to have been made already to the U.S. Department of Justice for an understanding to avoid any anti-trust action that might be involved *in united* industry bargaining.

The companies are also likely to have renewed agreement amongst themselves to help out the independent and smaller companies with oil supplies should the Libyan situation reach a crisis point.

More detailed discussions are thought to cover the currency situation—an issue which is likely to precede the more far-reaching question of participation.

A recent OPEC study group on the dollar crisis recommended a rise of over 5 per cent. in host-country revenues as a *general compensation level* for the fall in the value of the dollar.

Talks are to take place on an *individual* country basis, with the Gulf States possibly acting as a group. The level of demand is likely to vary depending on the proportion of trade which individual countries carry out with hard-currency nations such as Japan.

The first move on the dollar question has already been made by Libya, which bases her taxation on a dollar-posted price but calculates tax dues and receives actual payments in local currency, according to the prevailing exchange rates.

Without changing the posted price *or* dues, the recent revaluation of the local currency has meant an effective 5 per cent. increase in oil company *payments* made *through* conversion of dollars to local currency.

So far, tax payments have been made on an estimated basis but by the end of this month the companies must present full accounts. At that time they will have to take some stand on a question which will inevitably affect other producing countries.

The Gulf countries, which still *take payments in dollars* or sterling, have yet to make a formal approach on revaluing posted prices to the industry, but, with the oil companies *anxious* to settle the issue with all the countries at the same time, talks with Iran could start soon after the completion of her 2,500th anniversary celebrations.

Companies can be expected to be particularly keen to avoid any overall rise in crude oil prices which might upset the price stability guaranteed under the *five-year settlements* at Tehran and Tripoli earlier this year.

Clarification of the issue of participation still awaits a formal move by the producing countries, and it is still not clear whether the Libyans, who are expected to ask for 51 per cent. control, or the Gulf countries, who will probably ask for a 20 per cent. share, will begin the talks.

Unity between the companies on this point may be more difficult to achieve than during the last OPEC crisis as individual *companies* have such widely diverging interests in various countries.

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Free vote for Tories

have a free vote this number could be even bigger.

3—The failure of the Government's expensive propaganda campaign throughout the summer to turn British public opinion in favour of entry. As one Minister put it last night: "The country, we think, would like to see their MPs free to vote on their individual judgments, without being subject to party discipline. There have always been doubts in the constituencies about a Government and an Opposition whipping on an issue of this fundamental importance."

MPs also believe Mr. Heath was in growing difficulties because of his comment at the last General Election that no British Prime Minister could take the country into the Common Market without the full-hearted consent of "Parliament and peoples." Since then, he has defined the method of consulting the wishes of the people as "through their elected representatives."

The Government denies that it has made a *volte-face*. Ministers claim that a free vote had always been kept open as an option and that it had always been recognised that the best time to announce it would be at the last moment.

In fact, however, the Prime Minister and other Ministers, when questioned about the desirability of a free vote, have always countered this by stressing that the Government must on such a vital issue ask its MPs to support it. Up and down the country this summer Ministers have defended the whipping principle and indicated that the whips would be on for the debate on October 28.

Labour MPs naturally regard the Government's decision as Mr. Heath's "first major retreat." Some Tory MPs also have their misgivings about the charges of weakness which will be made against the Government.

However, Ministers maintained last night that once the October 28 vote was taken the Government would not allow free votes on the massive Common Market legislation which would occupy Parliament for most of next year. They believe that the size of the majority they will obtain next week will enable them to bring effective pressure on Tory anti-Market MPs to toe the line during the debates on the legislation.

This morning Labour *MPs* will be asked to take a decision that the party should vote against the entry terms. This "shadow" Cabinet recommendation was taken last week, and its meeting taken last week, and its first meeting yesterday was too early for Labour leaders to bear the news of the Government's decision on a free vote, although Mr. Pym immediately informed Mr. Mellish of it after the "*shadow*" Cabinet meeting ended.

But even before this Labour leaders knew that their pro-Market MPs intended to ask the PLP to agree to a free vote regardless of what the Government did. This proposal will be put to this morning's PLP meeting.

The Government's decision has fundamentally altered the Parliamentary situation for the Common Market debate. Even if the PLP decides against a free vote on the Opposition side o fthe House, the Government's unilateral act will undoubtedly make it easier for Labour Marketeers to vote for entry.

Their opponents will no longer be able to accuse them of voting in support of the Government, but only of voting for the entry terms. This, at any rate, is what the pro-Marketeers hope.

The new situation could clearly have a major effect on the political difficulties of Mr. Roy Jenkins and other senior Labour pro-Marketeers. Until last night there was no doubt that if they had voted for entry on October 28 they would have put their careers in the party gravely at risk.

Weather

U.K. TO-DAY

Scotland, N. Ireland, N. England and N. Wales will have squally showers and sunny intervals. S. Wales, *Midlands, E. Anglia and S.* parts of England will be rather cloudy with rain at times but will become brighter from the W.

It will be rather warm in the S. Winds will be strong, reaching gale force at times.

London; S.E. and Cent. S. Eng.; E. Anglia; E. Midlands; Channel Is.

Rather cloudy with rain at times but brighter later with some showers. Wind S.W. fresh or strong, gale force in places. Max 16C (61F).

E., S.W., and Cent. N. Eng.; W. Midlands; S. Wales

Rather cloudy with some rain at first but mostly showery with sunny intervals. Wind S.W. fresh or strong; gales in places. Max. 15C (59F).

N. Wales; N.W. Eng.; Lakes; I. of Man; S.W. Scot.; Glasgow, N. Ireland

Squally showers and sunny intervals. Wind S.W. strong; gale force at times. Max 13C (55F).

N.E. Eng; Borders; E. Scot.; *Edinburgh; Dundee*

Sunny spells but some squally showers. Wind S.W. fresh or strong, perhaps gale force at times. Max. 11C (52F).

Cent. Highlands; Argyll; N.W. Scot.

Squally showers and sunny intervals. Snow at times on mountains. Wind S.W. strong to gale. Max 11C (52F).

Caithness; Orkney; Shetland

Squally showers and sunny intervals. Wind S.W. to W., strong; perhaps gale. Max 10C (50F).

Outlook: Changeable with strong winds and rain at times. Some sunny intervals and temperatures near normal.

Lighting-up: London 18.30; Glasgow 18.38; Belfast 18.47.

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Amsterdm.	C	13	55	Madrid	S	22	72
Bahrain	S	29	84	Manchstr.	F	15	59
Beirut	F	26	79	Melbourne	C	16	61
Belfast	F	14	57	Milan	S	14	57
Belgrade	F	9	48	Montreal	S	17	63
Berlin	F	15	59	Moscow	S	2	36
Birmghm.	C	15	59	Munich	F	15	59
Bristol	C	16	61	Newcastle	F	13	55
Brussels	C	15	59	New York	C	13	55
Budapest	C	6	43	Oslo	R	6	43
B. Aires	S	25	77	Paris	C	17	63
Cairo	S	28	82	Prague	C	12	54
Cardiff	C	16	61	Reykjavik	S	3	37
Cologne	C	16	61	Rio de J'o	S	23	73
Copnhgn.	C	11	52	Rome	S	17	63
Dublin	C	14	57	Singapore	S	31	87
Edinb'rgh	C	14	57	Stockholm	C	7	45
Frankfurt	F	15	59	Strasbourg	S	17	63
Geneva	S	17	63	Sydney	C	19	67
Glasgow	C	10	50	Tehran	S	21	69
Helsinki	C	6	43	Tel Aviv	S	25	77
H. Kong	S	27	81	Tokyo	C	16	60
Jo'burg	S	18	64	Toronto	C	13	55
Lisbon	S	23	73	Vienna	C	12	54
London	C	17	63	Warsaw	C	9	48
Luxembrg.	F	14	57	Zurich	F	15	59

HOLIDAY RESORTS

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Ajaccio	S	21	70	Istanbul	R	14	57
Alxndria.	S	27	81	Jersey	C	17	63
Algiers	S	23	73	Las Plms.	C	25	77
Athens	S	20	68	Locarno	S	13	55
Barcelona	C	20	68	Luxor	S	36	97
Biarritz	S	20	68	Majorca	S	21	70
Blackpool	F	15	59	Malaga	S	28	82
Bordeaux	C	17	63	Malta	S	20	68
Boulogne	F	16	61	Nairobi	S	22	72
Casablnca.	S	22	72	Naples	C	17	63
Cape Tn.	S	22	72	Nassau	C	28	82
Corfu	S	20	68	Nice	S	19	66
Dubrovnik	S	17	63	Nicosia	S	27	81
Faro	S	28	82	Oporto	S	19	66
Florence	S	16	61	Rhodes	S	24	75
Funchal	F	24	75	St. Moritz	S	10	50
Gibraltar	C	23	73	Tangier	S	25	77
Guernsey	C	16	61	Tenerife	F	21	70
Innsbruck	S	15	59	Tunis	F	21	70
Inverness	F	11	52	Valencia	F	23	73
I. of Man	F	14	57	Venice	S	14	57

S—Sunny. F—Fair. C—Cloudy. R—Rain.